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AUG 22 1997

SAN FRANCISCO
PUBLIC LIBRARYNOTICE OF CANCELLED MEETINGSFINANCE COMMITTEE

NOTICE IS HEREBY GIVEN that the regularly scheduled meetings of the
FINANCE COMMITTEE for Wednesday, August 27, 1997, at 1:00 p.m., and Wednesday,
September 3 and 10, 1997, at 1:00 p.m., have been cancelled.

The next regularly scheduled meeting of the FINANCE COMMITTEE will be
held on September 17, 1997, at 1:00 p.m., in Room 410, Veterans Building, 401
Van Ness Avenue, San Francisco, California.

JOHN L. TAYLOR
Clerk of the Board

POSTED: AUGUST 21, 1997

CALENDAR

SEP 11 1997

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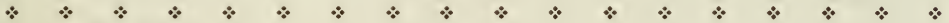
Finance Committee
Board of Supervisors
City and County of San Francisco

REGULAR MEETING

WEDNESDAY, SEPTEMBER 17, 1997, 1:00 P.M. VETERANS BUILDING
401 VAN NESS AVENUE, ROOM 410
SAN FRANCISCO, CA 94102

MEMBERS: Supervisors Susan Leal, Barbara Kaufman, Amos Brown

CLERK: Rosemary Little-Horanzky



Disability Access



Both the Committee Room (Room 410) and the Chamber (Room 404) are wheelchair accessible. The closest accessible BART Station is Civic Center, four blocks from the Veterans Building. Accessible MUNI lines serving this location are: #42 Downtown Loop and the #71 Haight/Noriega and the F line to Market and Van Ness and the METRO stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call 923-6142.



There is accessible parking in the vicinity of the Veterans Building adjacent to Davies Hall and the War Memorial Complex.



Assistive listening devices are available for use in the Meeting Room and the Board Chamber. A device can be borrowed prior to or during a meeting. Borrower identification is required and must be held by Room 308 staff.

The following services are available on request 48 hours prior to the meeting or hearing:

- ❖ For American sign language interpreters or the use of a reader during a meeting, contact Violeta Mosuela at (415) 554-7704.
- ❖ For a large print copy of an agenda, contact Moe Vazquez at (415) 554-4909.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

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FINANCE COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

REGULAR MEETING

WEDNESDAY, SEPTEMBER 17, 1997 - 1:00 P.M. VETERANS BUILDING
401 VAN NESS AVENUE
ROOM 410

MEMBERS: SUPERVISORS SUSAN LEAL, BARBARA KAUFMAN, AMOS BROWN

CLERK: ROSEMARY LITTLE-HORANZY

1. File 27-97-9. [Federal Grant - Airport] Resolution authorizing Airports Commission to file application, and accept and expend grant of \$10,701,632.00 from Federal Aviation Administration for assistance in improvements at the Airport (A.I.P. No. 97-01). (Airports Commission)

ACTION:

2. File 28-97-4. [Emergency Repair, Jersey Street Sewer Replacement] Resolution approving the expenditure of funds for the emergency work to replace the structurally inadequate sewer on Jersey Street between Diamond and Douglass Streets - \$129,611.15. (Public Utilities Commission)

ACTION:

3. File 28-97-5. [Emergency Repair, Hetch Hetchy Facilities] Resolution authorizing expenditure of Hetch Hetchy Water and Power funds for emergency repairs to Hetch Hetchy facilities and access roads damaged by the floods of January 1997 - \$10,000,000. (Public Utilities Commission)

ACTION:

4. File 28-97-6. [Emergency Repair, 33rd Avenue Sewer Replacement] Resolution approving the expenditure of funds for the emergency work to replace the structurally inadequate sewer on 33rd Avenue between Cabrillo and Fulton Streets - \$204,870. (Public Utilities Commission)

ACTION:

5. File 64-97-8. [Lease of Property at 1540 Market Street] Resolution authorizing the lease of real property at 1540 Market Street, Suite 160 & 190, for the Department of the Environment. (Real Estate Department)

(Continued from 8/20/97.)

(The Chair may maintain a motion to continue this item.)

ACTION:

6. File 64-97-13. [Lease of Property at 1372 Mission Street] Resolution authorizing the renewal of an existing lease of real property at 1372 Mission Street, San Francisco, for the Department of Public Health. (Real Estate Department)

ACTION:

7. File 172-97-55. [Vehicular Access Rights, 25th/Clipper Sts.] Resolution authorizing the sale and exchange of vehicular access rights (modification of covenants, conditions, and restrictions) along Clipper Street to J.C. General Contracting Company, authorizing the Director of Property to execute an agreement for such sale and exchange, and adopting findings pursuant to City's general plan and Planning Code Section 101.1. (Also see File 37-97-4.2) (Real Estate Department) (Planning Commission Motion 14377, adopted 5/22/97.)

ACTION:

8. File 65-97-11. [Golden Gate Park Stables Inc. Lease Amendment] Resolution approving a First Amendment to the lease between the City and County of San Francisco and the Golden Gate Park Stables, Inc. for the management and operation of the public stables in Golden Gate Park, which amendment clarifies the first paragraph of the lease; adds definitions of several terms; grants the Recreation and Park Commission authority to amend the lease, with the exception of material changes that modify the legal description of the leasehold premises, increase the term of the lease, decrease the rent, decrease the financial value of the required improvements, increase the City's liabilities, or decrease the City's revenue; and adds new provisions required under City ordinance. (Also see File 65-95-6). (Recreation and Park Department)

ACTION:

9. File 97-97-35. [Regulation of Lobbyists] Ordinance amending Article XIIA of the San Francisco Administrative Code by amending Sections 16.523, 16.524, and 16.526 to: Broaden the definition of City officers to include members of the Board of Education, Community College Board, Housing Authority, Redevelopment Agency, and Transportation Authority; increase lobbyist registration fees to \$375 from \$35; increase lobbyist client fees to \$100 from \$15; increase late filing fees to \$25 per day from \$10 per day; and provide that whenever a lobbyist is required to report the salary of an employee who is also an officer of the City and County, the lobbyist need only disclose whether the total salary payment was less than or equal to \$250, greater than \$250 but less than or equal to \$1,000, greater than \$1,000 but less than or equal to \$10,000, or greater than \$10,000. (Ethics Commission)

ACTION:

10. File 94-91-8.13. [Reserved Funds, Municipal Railway] Hearing to consider release of reserved funds, Municipal Railway (Federal Grant), in the amount of \$19,742,091, to fund MUNI's direct contractual needs for the replacement of the trolley bus fleet; companion to Files 94-92-9.1 and 213-97-1.1. (Municipal Railway)

ACTION:

11. File 94-92-9.1. [Reserved Funds, Municipal Railway] Hearing to consider release of reserved funds, Public Utilities Commission (Federal Capital Assistance), in the amount of \$17,250,382, to fund MUNI's direct contractual needs for the replacement of the trolley bus fleet; companion to Files 94-91-8.13 and 213-97-1.1. (Municipal Railway)

ACTION:

12. File 213-97-1.1. [Reserved Funds, Municipal Railway] Hearing to consider release of reserved funds, Municipal Railway (Federal, State, Regional, Local Funds), in the amount of \$42,187,472, to fund MUNI'S direct contractual needs for the replacement of the trolley bus fleet; companion to Files 94-91-8.13 and 94-92-9.1. (Municipal Railway)

ACTION:

13. File 213-96-3.4. [Reserve Funds, Municipal Railway] Hearing to consider release of reserved funds, Municipal Railway, (Federal grants and matching Fund), in the amount of \$1,687,500 to fund needed equipment procurements. (Municipal Railway)

ACTION:

14. File 127-97-4.2. [Reserved Funds, Art Commission] Hearing to consider release of reserved funds, Art Commission (Hotel Tax Funds), in the amount of \$517,230, allocated for cultural center programming for the following: Bayview Opera House, Center for African and African American Art and Culture, Mission Cultural Center for Latino Arts, and South of Market Cultural Center. (S.F. Art Commission)

ACTION:

15. File 101-97-14. [Appropriation, S.F. Community College District] Ordinance appropriating \$35,000, San Francisco Community College District, from the General Fund Reserve for other professional services to allow the Community Health Service to provide HIV testing services, for fiscal year 1997-98. (Supervisors Ammiano, Teng, Brown, Bierman, Katz)

ACTION:

16. File 101-97-13. [Appropriation, Recreation and Park Department] Ordinance appropriating \$25,105,000, Recreation and Park Department, of 1992 Golden Gate Park Infrastructure Bond Fund proceeds for the reconstruction of park water supply and other utilities and features at the Department of Recreation and Park for fiscal year 1997-98. RO #97068. (Mayor)

ACTION:

17. File 170-94-1.2. [General Obligation Refunding Bonds] Resolution amending and restating Resolution No.93-94, which authorized the issuance of City and County of San Francisco General Obligation Refunding Bonds in one or more series in an aggregate principal amount not to exceed \$600,000,000. (Mayor Willie L. Brown, Jr.)

ACTION:

18. File 101-97-17. [Appropriation, Department of Public Health] Ordinance appropriating \$10,665,000, Department of Public Health, from the sales of the bond fund proceeds for the purchase of building located at 2789 25th Street (CMED Building), for fiscal year 1997-98. (Mayor)

ACTION:

19. File 262-97-7. [China Basin Ballpark – Off-Site Parking Lease] Resolution approving and authorizing a ground lease agreement between the City and County of San Francisco, through its Port Commission, as landlord, and China Basin Ballpark Company LLC, as tenant, concerning the lease of real property located at Seawall Lot 337 and bounded generally by Terry A. Francois Boulevard, Mission Rock Street and Third Street, for the purpose of constructing and operating a surface parking lot to serve the New Ballpark for the San Francisco Giants; adopting environmental findings pursuant to the California Environmental Quality Act; adopting findings that the lease is consistent with the City's General Plan and Eight priority Policies of City Planning Code Section 101.1; and ratifying prior acts. (Port)

ACTION:

LEGISLATION UNDER THE 30-DAY RULE

File No. 97-97-54. Real Estate Fraud Prosecution Fee, Ordinance, (Supervisor Brown), 30 day Rule expires 9/24/97.

File No. 56-97-6. Legislative Analysts Duties, Rules of Order, (Clerk of the Board), 30 day Rule expires 9/24/97.

Watch future calendars for scheduling of these matters.

FINANCE COMMITTEE
S.F. Board of Supervisors
Veterans Building
401 Van Ness Avenue, Room 308
San Francisco, CA 94102

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CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

September 12, 1997

TO: Finance Committee

FROM: Budget Analyst *Recommendation*

SUBJECT: September 17, 1997 Finance Committee Meeting

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Item 1 - File 27-97-9

Department: Airport

Item: Resolution authorizing the Airports Commission to file an application for, accept and expend the proposed grant funds in the amount of \$10,701,632 from the Federal Aviation Administration for improvements at the Airport.

Amount: \$10,701,632

Source of Funds: Federal Airport Administration (FAA)

Project: Airport Improvement Program (AIP) No. 97-1

Description: The proposed resolution would authorize the Airport to seek Federal assistance for its Airport Improvement Program (AIP). The AIP provides for the reimbursement by the FAA of a portion of the cost of capital improvement projects. The proposed grant would fund 75 percent (\$10,701,632) of the total project cost (\$14,268,843), and a required match, consisting of Airport revenues, would fund the remaining 25 percent (\$3,567,211) of the total program cost. The \$14,268,843 total cost of the AIP is to be expended as follows:

Field Lighting Raceway Systems Parallel to Existing Runways, Phase IV (\$5,081,343)

This project, with a total cost of \$5,081,343 of which \$3,811,007 is to be funded by the FAA grant, will provide for the completion of the installation of the connection of lights along Runways 28L and 1R. The purpose of this project is to improve the airfield electrical maintenance procedures so that shutdown time for runways and taxiways may be reduced or eliminated.

Runway 28L/10R Overlay and Reconstruction (\$9,187,500)

This project, with a total cost of \$9,187,500 of which \$6,890,625 is to be funded by the FAA grant, provides for the reconstruction and overlay of approximately 10,600 feet of Runway 28L/10R which is subject to heavy aircraft traffic. Work will include excavation of runway areas where required and the placement of new sub-base material, as well as an asphaltic concrete surface. The purpose of this project is to re-establish the required structural integrity of the runway pavement now showing signs of surface pavement cracking due to sub-base failure. Such sub-base failure is attributable to a combination of differential settlement of pavement built on San Francisco Bay mud and repetitive aircraft landing.

Budget:

A summary breakdown of the two project budget expenditures, as provided by the Airport, is as follows:

Administrative Overhead	\$ 140,000
*Project design costs (Airport)	1,000,000
*Project inspection costs (Airport)	1,000,000
Construction contracts	<u>12,128,843</u>
Total	\$14,268,843

*Attachment 1, provided by the Airport, includes the cost details for project design (\$1,000,000) and project inspection (\$1,000,000).

Required Match: \$3,567,211

Comments:

1. Mr. Donald Beier of the Airport advises that \$2,140,000 of the total grant amount of \$10,701,632, will be expended on administrative overhead (\$140,000), project design (\$1,000,000) and project inspection (\$1,000,000). The remaining grant fund balance of \$8,561,632 would be used to pay for 71 percent of the total construction contract costs of \$12,128,843. Mr. Beier advises that contractors have not yet been selected for the two projects. As such, the proposed

resolution should be amended to place \$8,561,632 of the \$10,701,632 in grant funds on reserve, pending the selection of the contractors, the MBE/WBE status of the contractors and the contract cost details.

2. The Airport has completed a Disability Access Checklist, which is on file with the Clerk of the Board.

3. Attachment 2 is the Grant Application Information Form, as prepared by the Airport, for the proposed grant project.

- Recommendations:**
1. Amend the proposed resolution to place the amount of \$8,561,632 for construction contract costs on reserve, pending the selection of the contractors, the MBE/WBE status of the contractors and the contract cost details.
 2. Approve the proposed resolution, as amended.

Project Design Costs

Class	Title	Hours	Rate	Total
5202	Junior Civil Engr.	1,200	\$33/hr.	39,600
5204	Asst. Civil Engr.	3,410	\$37/hr.	126,170
5206	Assoc. Civil Engr.	3,410	\$44/hr.	150,040
5208	Civil Engr.	2,280	\$51/hr.	116,280
5210	Senior Civil Engr.	1,680	\$59/hr.	99,120
5212	Principal Engineer	120	\$64/hr.	7,680
5234	Junior Elect. Engr.	540	\$33/hr.	17,820
5236	Asst. Elect. Engr.	1,080	\$37/hr.	39,960
5238	Assoc. Elect. Engr.	1,080	\$44/hr.	47,520
5240	Elect. Engr.	2,200	\$51/hr.	112,200
5242	Senior Elect. Engr.	540	\$59/hr.	31,860
5250	Junior Mechanical Engr.	516	\$33/hr.	17,028
5252	Asst. Mech. Engineer	570	\$37/hr.	21,090
5254	Assoc. Mechanical Engr.	570	\$44/hr.	25,080
5256	Mechanical Engr.	570	\$51/hr.	29,070
5258	Senior Mechanical Engr.	6	\$59/hr.	354
5362	Civil Engr. Asst. II	591	\$30/hr.	17,730
5364	Civil Engr. Assoc. I	590	\$33/hr.	19,470
5366	Engr. Assoc. II	1,200	\$37/hr.	44,400
5380	Student Engr. Trainee	660	\$20/hr.	13,200
5346	Mechanical Engr. Assoc. I	300	\$32/hr.	9,600
1446	Secretary	526	28/hr.	14,728
	Total			\$1,000,000

Project Inspection Costs

Class	Title Description	Time	Salary + Fringe	\$ Amount
9212	Airfield Safety Officer	2,600 hours	35/hour	\$ 91,000
5310	Surveyor Field Asst.	3,450 hours	30/hour	\$ 103,500
5312	Surveyor	3,450 hours	34/hour	\$ 117,300
5314	Survey Party Chief	3,450 hours	40/hour	\$ 138,000
6318	Inspectors	10,700 hours	41/hour	\$ 438,700
	Testing Services			\$ 111,500
	Total			\$1,000,000

LETTER OF INTENT

Grant Application Information Form

TO: The Board of Supervisors
Attention: Clerk of the Board

The following describes the grant referred to in the accompanying resolution:

Department: Airport

Contact Person: Ernie Eavis Telephone: (415) 737-7747

Project Title: Airport Improvement Program 97-01

Grant Source: Federal Aviation Administration

Proposed (New/Continuation) Grant Project Summary:

See Attached Narrative Description

Amount of Grant Funding Applied for: \$10,701,632

Maximum Funding Amount Available: \$10,701,632

Required Matching Funds: \$ 3,567,211

Number of Positions Created and Funded: 0

Amount to be Spent on Contractual Services: None contemplated

Will Contractual Services be put out to Bid? N/A

Term of Grant: _____ Yearly entitlement _____

Date Department Notified of Available Funds: _____

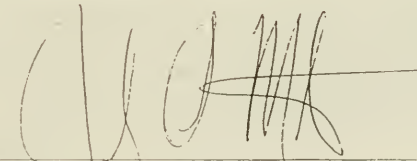
Application Due Date: _____ June 30, 1997 _____

Grant Funding Guidelines and Options (from RFP, Grant Announcement of Appropriations Legislation):

Available grant funds for Airport Improvement Program (AIP) projects, in the form of a trust, are derived from Federal excise taxes on passenger ticket, freight forwarding, fuel, and tire sales as authorized by the Airport and Airway Improvement Act of 1982 (PL-248). San Francisco International Airport (SFIA) is usually allotted an annual share based upon actual passenger and freight totals for the year prior to the AIP application. The allotment is used to reimburse 75% of the actual design, inspection and construction cost of the selected airfield improvements.

Assessment of Need for Grant Funding:

The projects listed in this Grant Application are already included in the Airport's 5-Year Capital Improvement Program. If grant funding is not obtained, the monies that would have gone to SFLA will be put back into the trust fund and disbursed to other airports as Discretionary Grants. The projects listed in AIP 97-01 will still be constructed, however, without the Federal funding.



Department Head Approval

Item 2 - File 28-97-4

Department: Public Utilities Commission (PUC)

Item: Resolution authorizing the expenditure of funds for emergency work to replace the structurally inadequate sewer on Jersey Street between Diamond and Douglass Streets.

Amount: \$195,527

Source of Funds: Sewer Repair and Replacement Fund, financed by Sewer Service Charges.

Description: The Public Utilities Commission advises that on April 9, 1997, the sewer located at Jersey Street between Diamond and Douglass Streets collapsed, endangering the health, welfare, and property of the citizens of San Francisco. In accordance with Administrative Code Section 6.30, the PUC declared the situation an emergency. The Department of Public Work's Bureau of Engineering prepared Plans and Specifications to replace the existing sewer. Invitations for quotations were faxed to nine MBE/WBE contractors on April 10, 1997, and quotations were received from four firms on April 11, 1997.

The contractor, JMB Construction Company, began the emergency work on April 16, 1997, and completed the work on May 5, 1997.

Comments: 1. As stated above, four firms submitted bids to perform the emergency work on the sewer at Jersey Street. The firm names, bids, MBE/WBE/LBE certification, and adjusted bids (adjusted in accordance with HRC preference points) are as follows:

<u>Contractor</u>	<u>Bid</u>	<u>Status</u>	<u>Adjusted</u>
JMB Construction	\$145,177	LBE/WBE	\$130,659.30
M.H. Construction Management Co.	\$150,375	LBE/MBE	\$135,337.50
Harty Pipelines, Inc.	\$152,025	LBE/WBE	\$136,822.50
Ramirez Engineering Corp.	\$160,295	LBE/MBE	\$144,265.50

As shown above, JMB Construction Company provided the lowest bid of \$145,177.

BOARD OF SUPERVISORS
BUDGET ANALYST

2. According to Ms. Frances Thomas of the Purchasing Department, JMB Construction Company has submitted documentation to the Human Rights Commission (HRC) in response to a requirement that they comply with the Equal Benefits Ordinance. The Company's certification is currently pending review by HRC. Section 12B.5-1 of the San Francisco Administrative Code states that the domestic partner benefits requirements of Sections 12B.1(b) and 12B.2(b) do not apply to "any contracts, or other agreements involving real or personal property, executed or amended prior to June 1, 1997." In accordance with Section 12B.5-1, compliance with the Equal Benefits Ordinance was not required for JMB Construction Company for the contract to perform emergency repair to the Jersey Street sewer.

3. The cost of the project is estimated to be \$195,527. In addition to the construction contract for \$145,177, these costs include \$27,350 for planning, design, and construction support from the Bureau of Engineering, and \$23,000 for construction inspection by the Bureau of Construction Management.

4. As stated earlier, the emergency was declared by the PUC on April 9, 1997 and the replacement of the collapsed sewer was completed on May 5, 1997. Therefore, the proposed resolution should be amended to provide retroactive approval for the declaration of an emergency.

- Recommendations:**
1. In accordance with Comment No. 3, amend the proposed resolution to make approval for the declaration of an emergency retroactive.
 2. Approve the proposed resolution as amended.

Item 3 - File 28-97-5

Department: Public Utilities Commission (PUC)

Item: Resolution authorizing the expenditure of Hetch Hetchy Water and Power Funds for the emergency repairs to Hetch Hetchy facilities and access roads.

Amount: \$10,000,000

Source of Funds: Hetch Hetchy's Project CUH795, Reserve for Seismic Upgrades

Description: On January 7, 1997, the President of the Public Utilities Commission (PUC), in accordance with Administrative Code Section 6.30, declared the existence of an emergency condition requiring immediate repairs of damage to the Hetch Hetchy facilities caused by extreme precipitation and resulting runoff which washed out access roads, caused slides, undermined the embankments adjacent to critical Hetch Hetchy facilities, and contaminated Hetch Hetchy water, both in reservoirs and pipelines, rendering it unusable for domestic purposes.

Comments:

1. On April 8, 1997, the PUC ratified the Declaration of Emergency made by the President of the Commission on January 7, 1997.
2. Following an assessment of damages, the PUC Staff estimated that \$10,000,000 worth of emergency repairs was required to restore the roads and other damaged facilities to safe and usable conditions.
3. As of the writing of this report, Hetch Hetchy has not provided the Budget Analyst with sufficient budget details and information on the status of repairs. Mr. Larry Klein of Hetch Hetchy Water and Power has requested that consideration of this proposed resolution be continued.
4. As stated earlier, the emergency was declared by the PUC on January 7, 1997. Therefore, the proposed resolution should be amended to provide retroactive approval for the declaration of an emergency.
5. According to Mr. Klein, the significant period (nine months) that elapsed between the January 7

Memo to Finance Committee
September 17, 1997 Meeting of Finance Committee

declaration of an emergency and this proposed resolution was due to administrative oversight.

Recommendation: Continue the proposed resolution, as requested by Hetch Hetchy.

Item 4 - File 28-97-6

Department: Public Utilities Commission (PUC)

Item: Resolution authorizing the expenditure of funds for emergency work to replace the structurally inadequate sewer on 33rd Avenue between Cabrillo and Fulton Streets.

Amount: \$204,870

Source of Funds: Sewer Repair and Replacement Fund, financed by Sewer Service Charges.

Description: The Public Utilities Commission advises that on May 7, 1997, the sewer located at 33rd Avenue between Cabrillo and Fulton collapsed, endangering the health, welfare, and property of the citizens of San Francisco. In accordance with Administrative Code Section 6.30, the PUC declared the situation an emergency. The Department of Public Work's Bureau of Engineering prepared Plans and Specifications to replace the existing sewer. Invitations for quotations were faxed to ten MBE/WBE contractors on May 11, 1997, and quotations were received from six firms on May 12, 1997.

The contractor, Ramirez Engineering Corporation, began the emergency work on May 19, 1997, and completed the work on July 1, 1997.

Comments: 1. As stated above, six firms submitted bids to perform the emergency repair work on the sewer at 33rd Street. The firm names, bids, MBE/WBE/LBE status, and adjusted bids (adjusted in accordance with HRC preference points) are as follows:

<u>Contractor</u>	<u>Bid</u>	<u>Status</u>	<u>Adjusted</u>
<u>Bid</u>			
Ramirez			
Engineering Corp.	\$158,020	LBE/MBE	\$142,218.00
JMB Construction, Inc.	\$165,943	LBE/WBE	\$149,348.70
Esquivel Grading & Paving, Inc.	\$172,414	LBE/MBE	\$155,172.60
A Answer, Inc.	\$175,586	L/W/MBE	\$158,027.40
A Ruiz Construction Co.	\$193,240	LBE/WBE	\$173,916.00
Miller/Thompson Construction Co., Inc.	\$247,891	LBE/WBE	\$223,101.90

BOARD OF SUPERVISORS
BUDGET ANALYST

As shown above, the Ramirez Engineering Corporation submitted the lowest bid of \$158,020. According to Ms. Frances Thomas of the Purchasing Department, Ramirez Engineering Corporation has been certified by HRC as being in compliance with the Equal Benefits Ordinance.

2. The cost of the project is estimated to be \$204,870. In addition to the construction contract for \$158,020, these costs include \$26,850 for planning, design, and construction support from the Bureau of Engineering, and \$20,000 for construction inspection by the Bureau of Construction Management.

3. As stated earlier, the emergency was declared by the PUC on May 7, 1997 and the replacement of the collapsed sewer was completed on July 1, 1997. Therefore, the proposed resolution should be amended to provide retroactive approval for the declaration of an emergency.

- Recommendations:**
1. In accordance with Comment No. 3, amend the proposed resolution to make approval for the declaration of an emergency retroactive.
 2. Approve the proposed resolution as amended.

Item 5 - File 64-97-8

Note: This item was continued by the Finance Committee at its meeting of August 20, 1997.

Department:	Department of the Environment Real Estate Department
Item:	Resolution authorizing a new lease of real property at 1540 Market Street, Suites 160 & 190, for the Department of the Environment.
Location:	Suites 160 & 190 on the first floor of the building located at 1540 Market Street.
Lessor:	1540 Market Street Investment Company
Lessee:	City and County of San Francisco
No. of Sq. Ft. and Cost Per Month:	1,225 square feet, including 952 square feet at Suite 160 and 273 square feet at Suite 190, at approximately \$1.25 per square foot per month, for a total of \$1,531.25 for the first year and approximately \$1.28 per square foot, for a total of \$1,568 for the second year and both two-year option periods.
Annual Cost:	\$18,375 for the first year; \$18,816 for the second year and option periods.
Increase Over Prior Lease:	The Department currently leases 273 square feet at Suite 190 on a month-to-month basis at the same proposed monthly rental rate of \$1.25 per square foot for the first year.
Term of Lease:	Two years commencing upon execution of the lease.
Utilities and Janitorial Services:	Landlord is responsible for utility and janitorial services.
Right of Renewal:	Two option periods of two years each.
Source of Funds:	Department of the Environment FY 1997-98 budget
Description:	According to Ms. Claudine Venegas of the Real Estate Department, the Department of the Environment has occupied Suite 190 on a month-to-month lease since February 1, 1997. Under Section

BOARD OF SUPERVISORS
BUDGET ANALYST

23.19 of the San Francisco Administrative Code, the Director of Property may execute a short-term lease on behalf of the City when the monthly rent is less than \$1,000. Suite 190 consists of 273 square feet, and costs \$1.25 per square feet for a total monthly rent of \$341.25.

Ms. Magilavy, Director of the Department of the Environment, reported that she initially worked out of her former nonprofit office while the Real Estate Department negotiated a lease for Suite 160 and the adjoining Suite 190, which were identified to house the newly-created Department. According to Ms. Magilavy, the Department moved into Suite 190 on a temporary month-to-month lease pending the proposed lease of Suite 160 and 190. Three employees, including the Director, Secretary of the Commission, and one clerical position currently occupy the one room suite, resulting in 91 square feet per employee. According to Ms. Magilavy, staff do not have private offices, one employee does not have sufficient space for a desk, and there is not adequate room to set up computer tables. Furthermore, Ms. Magilavy reported that the Department is in the process of hiring one new Integrated Pest Management (IPM) Coordinator which was approved in the Fiscal Year 1997-98 budget.

Comments:

1. According to Ms. Frances Thomas of the Purchasing Department, 1540 Market Street Investment Company has submitted documentation to the Human Rights Commission (HRC) in response to a requirement that they comply with the Equal Benefits Ordinance. The company's certification is currently pending review by HRC.

2. According to Ms. Venegas, compliance with the Bicycle Parking Ordinance has been addressed pursuant to the proposed lease. Ms. Venegas reported that the landlord, 1540 Market Street Investment Company, has agreed to allow employees to store their bicycles within Suites 160 and 190, provided they are stored in such a way that the Fire Code is not violated.

3. According to Ms. Venegas, the monthly rent of \$1.25 per square foot represents fair market value.

4. The proposed lease of 1,225 square feet, including the 273 square feet of Suite 190, which is presently being leased by the Department of the Environment, and 952 square feet of Suite 160, represents an increase of 952 square feet or a 349% increase in space for the Department. The space would result in approximately 306 square feet for each of the Department's four presently authorized positions.

5. According to Ms. Magilavy, the Department is in the process of completing an analysis for the Mayor's Office to determine what additional environmental responsibilities should be undertaken by the Department of the Environment. Ms. Magilavy reported that the Department plans to increase its staff in the next one to two years. Ms. Magilavy stated that the proposed space of 1,225 square feet could accommodate a total of nine employees, resulting in approximately 136 square feet per employee. However, all new positions, in excess of the four presently authorized positions, would require Board of Supervisors approval. Normally, the amount of leased space which is approved by the Board of Supervisors is based on the number of existing authorized positions.

Recommendations:

1. Amend the proposed resolution making approval of the lease contingent upon 1540 Market Street Investment Company being certified by HRC as being in compliance with the Equal Benefits Ordinance.
2. Approval of the proposed resolution, as amended, is a policy matter for the Board of Supervisors.

Item 6 - File 64-97-13

Department: Real Estate Department
Department of Public Health

Item: Resolution authorizing an extension of a lease of property at 1372 Mission Street for the City's Department of Public Health STD/AIDS Information, Education, and Prevention unit.

Location: The ground floor of the building located at 1372 Mission Street.

Lessor: Vilo Properties, Inc.

Lessee: City and County of San Francisco

No. of Sq. Ft. and Cost Per Month: 2,040 square feet at approximately \$1.13 per square foot per month, for a total of \$2,300 per month.

Annual Cost: \$27,600

Increase Over Prior Lease: The cost under the prior lease was \$2,224.13 per month; the proposed lease would result in a monthly increase of \$75.86.

Term of Lease: The existing lease expired June 30, 1997. The proposed lease would have a term of five years and six months, extending retroactively from July 1, 1997 to December 31, 2002. The City would occupy the premises for the entire lease term expiring on December 31, 2002, unless funds for rental payments are not appropriated in any subsequent fiscal year, at which time the City may terminate this lease with advance notice to Landlord.

Utilities and Janitorial Services: Landlord is responsible for utilities and janitorial services.

Right of Renewal: None

Source of Funds: Department of Public Health FY 1997-1998 budget

BOARD OF SUPERVISORS
BUDGET ANALYST

Description:

The proposed lease is a five year and six month extension of an existing lease between the City and Vilo Properties, Inc., for the ground floor of the building at 1372 Mission Street. The Department of Public Health STD/AIDS Information, Education, and Prevention Unit, which has occupied the space since January 1, 1994, conducts HIV post test counseling and partner notification at the site. The Unit currently has eleven employees, for an average of approximately 185.5 square feet per employee.

The proposed lease includes a retroactivity clause, setting the term of the lease from July 1, 1997, when the existing lease expired, until December 31, 2002.

Comments:

1. According to Mr. Steve Alms of the Department of Real Estate, the proposed rent represents fair market value.
2. According to Mr. Alms, compliance with the Bicycle Parking Ordinance has been addressed pursuant to the proposed lease.
3. According to Ms. Diane Handa of the Purchasing Department, Vilo Properties, Inc. has been certified by HRC as being in compliance with the Equal Benefits Ordinance.

Recommendation:

Approve the proposed resolution.

Item 7 - File 172-97-55

Department: Department of City Planning
Real Estate Department

Item: Resolution (1) authorizing the sale and exchange of vehicular access rights along Clipper Street to J. C. General Contracting Co., (2) authorizing the Director of Property to execute an agreement for such sale and exchange and (3) adopting findings pursuant to the City's General Plan and City Planning Code Section 101.1.

Amount: \$39,000

Description: The City previously owned the property located on Clipper Street near Hoffman Avenue (Lot 17 in Assessor Block 6543). In December of 1985, this property was sold to Hayman Homes. When the City sold the property, a deed restriction, prohibiting the vehicular access rights to Clipper Street from the subject property, was included. In 1992, this property, which included this deed restriction, was subsequently sold to J. C. General Contracting Company.

J. C. General Contracting Company has submitted a proposal to the City Planning Commission to develop approximately 36,295 square feet of property located at Hoffman Avenue and 25th Street, which is adjacent to Clipper Street. This property would be subdivided into 13 lots in order to construct a total of 22 dwelling units, including nine two-family dwellings and four one-family dwellings. Six of the two-family dwellings would front onto 25th Street and the remaining three two-family dwellings, plus all four of the one-family dwellings would be accessed from Clipper Street.

However, two of the four one-family dwelling lots would be landlocked due to the City's deed restriction prohibiting access to Clipper Street. On May 22, 1997, the Planning Commission approved a Conditional Use application for the proposed project, contingent on the applicant's, (J.C. General Contracting Co) ability to secure the increased vehicular access to and from Clipper Street.

The proposed resolution would (1) modify the covenants, conditions and restrictions along Clipper Street in order to authorize the sale and exchange of vehicular access rights from the City to J. C. General Contracting Company for \$39,000, (2) authorize the Director of Property to execute

BOARD OF SUPERVISORS
BUDGET ANALYST

the agreement for this sale and exchange, and (3) adopt the necessary findings pursuant to the City's General Plan and City Planning Code Section 101.1. The proposed resolution would remove the prohibition of vehicular access to and from Clipper Street to accommodate driveways for the two one-family dwellings proposed for construction along Clipper Street.

Comments:

1. According to the Planning Commission documents on the Conditional Use application for the subject property, the City had originally limited the access rights for a 25-foot strip of Clipper Street because the City had previously considered converting Clipper Street into a high-speed connector route from Diamond Heights to a then-planned crosstown freeway from U.S. 101 along the Army Street corridor. The limitation of access and egress rights on the subject property was intended to restrict the amount of cross traffic on this portion of the Clipper Street high-speed connector route. However, since the cross-town freeway was never built, and there are currently no plans to convert Clipper Street into a major arterial street, the need for such stringent control of vehicular access rights to and from Clipper Street has diminished, according to Planning Commission documents.
2. Two of the proposed 22 dwelling units would be designated as affordable rental units, pursuant to the City's Affordable Housing Policy.
3. According to Mr. John Panieri of the Real Estate Department, the fair market value of the vehicle access rights along Clipper Street was determined by the Real Estate Department to be \$39,000, based on appraisals of comparable residential properties in the area. Mr. Panieri reports that this appraisal process included a comparison between lots that had direct vehicular access with lots that require circuitous access to the properties.
4. The proposed agreement between the City and J.C. General Contracting Co. states that as a condition of the agreement, J.C. General Contracting Co. shall comply with the City's Equal Benefits Ordinance, by submitting the required documentation to the Human Rights Commission (HRC).
5. City Planning Code Section 101.1 establishes eight Priority Policies to determine a proposed project's consistency with the City's General Plan. On May 22,

BOARD OF SUPERVISORS
BUDGET ANALYST

1997, the Planning Commission determined that the proposed project is consistent with Section 101.1 (Motion No. 14377). Therefore, the proposed resolution would also adopt the findings made by the City Planning Commission that the exchange and transfer of the proposed vehicular access rights is in conformity with the City's General Plan and consistent with City Planning Code Section 101.1.

Recommendation: Approve the proposed resolution.

Item 8 - File 65-97-11

- Department:** Recreation and Park Department (RPD)
- Items:** Resolution approving the first amendment to the 15-year lease between the City and County of San Francisco and the Golden Gate Park Stables, Inc., for the management and operation of the public stables in Golden Gate Park, which proposed amendment clarifies the first paragraph of the lease; adds definitions of several terms; grants the Recreation and Park Commission the authority to amend the lease, with the exception of material changes that would (a) modify the legal description of the leasehold premises, (b) increase the term of the lease, (c) decrease the rent, (d) decrease the financial value of the required improvements, (e) increase the City's liabilities, or (f) decrease the City's revenue; and adds a new provision required under City ordinance.
- Location:** Golden Gate Park Stables, adjacent to Golden Gate Park Stadium (Polo Fields), located in Golden Gate Park
- Purpose of Lease:** Operation of public horse stables, which includes 75 horse stalls and related service structures
- Lessor:** Recreation and Park Commission
- Lessee:** Golden Gate Park Stables, Inc.
- Description:** Section 2.110 of the Charter specifies that any lease of real property for a period of ten or more years, under which the City is a lessor, be approved by resolution of the Board of Supervisors. Accordingly, the Board of Supervisors passed Ordinance No. 272-95 in August of 1995, approving a 15-year lease between the City and Golden Gate Stables, Inc., which provided for the operation of the horse stables in Golden Gate Park (the "Lease"). The Articles of the original Lease are as follows:
- Article I: Essential Provisions (Includes Definitions, Extent of Leasehold, Experience and Education of Operator, Use of Demised Premises, Live-In Manager, Term, and Rental.
 - Article II: Accounting and Records
 - Article III: Use and Maintenance
 - Article IV: Capital Improvements

BOARD OF SUPERVISORS
BUDGET ANALYST

- Article V: Laws, Ordinances and Compliances
- Article VI: General Provisions (Includes Indemnification, Waiver of Damage, etc.)

Because the Lessee was to perform various capital improvements at the stables at its own expense, the Lease provided for an initial two-year rent-free period for the Lessee. Beginning in the third year of the Lease, Golden Gate Park Stables, Inc., is to pay the Recreation and Park Department a minimum annual rental or a percentage of gross receipts, whichever is greater, as specified below:

- (a) Minimum Annual Guarantee
\$2,000 per month or \$24,000 per year -
OR
- (b) 3% of all gross receipts below \$700,000; plus
8% of all gross receipts \$700,000 and above

The proposed legislation would effect the following changes:

- Provides a technical amendment by amending the opening paragraph of the existing Lease to designate the City and County of San Francisco as "Lessor" or "City" and Golden Gate Stables, Inc., as "Lessee" or "Operator";
- Defines the Lessor as the City and County of San Francisco acting through its Recreation and Park Department instead of as the Recreation and Park Department of the City and County of San Francisco;
- Adds the definition of "Department," as meaning the Recreation and Park Department of the City and County of San Francisco; adds the definition of "General Manager" as meaning the General Manager of the Recreation and Park Department of the City and County of San Francisco;
- Adds as an essential provision of the Lease that any amendments to or deviations from the exhibits to the Lease or amendments waiving the requirement that Lessee offer portions of the Premises for the boarding of privately owned horses, shall be subject to the mutual agreement of Lessor and Lessee and may be made upon the sole approval of the Commission. However, the following "material" amendments or

BOARD OF SUPERVISORS
BUDGET ANALYST

modifications would require the approval of the Board of Supervisors:

- a. Changing the legal description of the leasehold premises;
 - b. Increasing the term of the Lease;
 - c. Decreasing the amount of rental income payable by the Lessee to the City;
 - d. Decreasing the overall financial value to the City of the improvements described in Section 39.0 of the Lease (See Comment No. 1);
 - e. Changing the general use of the Premises from equine related uses;
 - f. Changing any other amendment or modification which materially increases the City's liabilities or financial obligations under the Lease or decreases the revenue to be provided to the City.
- Adds non-discrimination covenants, including Sections 12B (which includes the Equal Benefits Ordinance) and 12C of the Administrative Code.
 - Adds a no tobacco advertising provision;
 - Adds a Burma business prohibition provision;
 - Adds an Americans with Disabilities Act (ADA) provision.

Comments:

1. Section 39.0 of the existing Lease, "Lessee's Move-In Capital Improvements of Demised Premises," requires that the Lessee make leasehold improvements in accordance with the specifications required in Exhibit 2 and as proposed by the Lessee in Exhibits 3 and 12 of the Lease. Section 39.0 also specifies that "All work shall conform to the standards set forth in Golden Gate Park Stable Facility Capital Improvements as prepared by John C. Tillotson, which is attached as Exhibit 2 of this lease." According to Mr. Michael Cohen of the City Attorney's Office, by approving the proposed resolution, the Recreation and Park Department and the Lessee, by mutual agreement, could change the order and nature of the specific capital improvements as currently required by

BOARD OF SUPERVISORS
BUDGET ANALYST

2. Exhibit 12 of the Lease is titled "Timeline For Capital Improvements." Attachment I to this report is a copy of Exhibit 12. Approximately two years have expired since the implementation of the Lease. Page 2 of Attachment I is a memorandum from Mr. Ernie Prindle, Acting Assistant General Manager of the Recreation and Park Department, stating that the order of certain projects has been rearranged and giving the reasons therefor.
3. Attachment II to this report, provided by Mr. Prindle, is an updated listing of capital improvement projects to be completed. Attachment II contains the estimated cost for each project and the actual cost, where relevant.
4. Mr. Prindle has provided the Budget Analyst with a memorandum addressing the issue of why the Department is seeking the authority to effect limited amendments to the Lease without approval by the Board of Supervisors (see Attachment III). Mr. Prindle has also provided information on the current status of capital improvements and on the private boarding of horses at the stables.
5. Mr. Prindle reports that in accordance with the existing provisions of the Lease, the initial two-year, rent-free period granted Golden Gate Park Stables expired on August 31, 1997. Mr. Prindle has stated that the first rent payment will be due no later than October 1, 1997.
6. As previously stated, by approving the proposed resolution, the Board of Supervisors would grant the authority to the Recreation and Park Commission to amend certain provisions of the Lease between the City and Golden Gate Park Stables, Inc., including the power to exclude private boarding of horses at Golden Gate Park.

Recommendation:

The decision of whether to approve the proposed resolution, which would include granting to the Recreation and Park Department the authority to amend certain provisions of the Lease between the City and Golden Gate Park Stables, Inc., without the approval of the Board of Supervisors, is a policy matter for the Board of Supervisors.

BOARD OF SUPERVISORS
BUDGET ANALYST

GOLDEN GATE PARK STABLES LEASE
Timeline for Capital Improvements**AS SUBMITTED BY OPERATOR.**
SUBJECT TO APPROVAL BY LESSOR.**GOLDEN GATE PARK STABLES, INC.**

Year One Little Speedway Arena
 Central Arena Replacement
 Redwood Arena
 Haybarn & East Ring
 Architecture/Engineering
 Plans and Permits
 Plan and Permit Review

Year Two Farrier Structure
 Boarder Feed
 Boarding Stables
 Remaining Stalls

Year Three Architecture/Planning
 School Barn

Year Four
and Five Office/Caretaker
 Porch & Deck
 Tack and Instruction
 NE & NW Arenas
 WPA Stall Exteriors
 Architecture/Engineering

Year Six Grandstand Stalls
 Parking Lots
 Exterior Lighting

City and County of San Francisco
Department

Recreation and Park



September 10, 1997

To: Stan Jones Budget Analyst

From: Ernie Prindle, Recreation and Park Department

Re: Golden Gate Park Stables Lease Amendment

The attached schedule for improvements (Exhibit 12 to the lease) was altered by the Commission in 1996, exchanging the Hay Barn and East Ring in Year One with the Boarding Stables and remaining Stalls in Year Two. In order to obtain a use permit for the new Hay Barn, the structure would need to be sprinkled. Until the Department completes the slated infrastructure improvements to sewer and water lines, the water pressure is not sufficient to support a fully operational sprinkler system. Plans for the Farrier Structure and the Boarder Feed Structure have been submitted by Lessee to the Department for approval. Staff is reviewing the plans and will shortly take them to the Commission for approval before work begins.

McLaren Lodge, Golden Gate Park

501 Stanyan Street

San Francisco, CA 94117-1898

Phone: (415) 831-2700

Fax: (415) 666-7050

GOLDEN GATE PARK STABLESTimeline for Capital Improvements & Cost Summary

	<u>EST. COST</u>	<u>PROJECT STATUS</u>	<u>ACT. COST</u>
<u>YEAR ONE</u>			
Little Speedway Arena (new)	40,000	COMPLETED	60,000
Central Arena Renovation	40,000	COMPLETED	20,500
Redwood Arena Renovation	15,000	COMPLETED	29,000
Renovate Initial 24 WPA Stalls	48,923	COMPLETED •	37,200
Renovate Remaining 28 WPA Stalls	<u>57,077</u>	COMPLETED •	<u>24,100</u>
	<u>SUBTOTAL</u>		<u>170,800</u>
<u>YEAR TWO</u>			
Farrier Structure	4,000	Plans Sub. for Review	
Boarder Feed Structure	9,000	Plans Sub. for Review	
Haybarn & East Ring	48,000	Awaiting City Utility	
		Infrastructure Upgrade	
<u>YEAR THREE</u>	47,000		
<u>YEAR FOUR & FIVE</u>			
Office/Caretaker Residence	150,000	• Certain requirements for the WPA stall improvements	
Porch & Deck	53,000	have been deemed unnecessary by independent expert	
Tack and Instruction Rooms	45,000	opinion. This is the reason for the requested Second	
Northeast & Northwest Arenas	10,000	Amendment to the Lease. The Recreation and Park	
WPA Stall Exterior		Commission will continue to monitor this situation to	
		ensure at least \$680,000 is expended by the end of Year Six	
<u>YEAR SIX</u>			
Grandstand Stalls	53,000		
Parking Lots	10,000		
Exterior Lighting	8,000		
<u>MISC EXP</u>			
Architectural/Engineering/Permits/Fees	35,000		
Demolition/Signage/Flagpoles	<u>7,000</u>		
	<u>TOTAL COST ESTIMATE</u>	<u>TOTAL TO DATE</u>	<u>170,800</u>
	680,000		

TOTAL P.02



September 9, 1997

To: Stan Jones Budget Analyst

From: Ernie Prindle, Recreation and Park Department

ef

Re: Golden Gate Park Stables Lease Amendment

The purpose of the first amendment to the lease between Golden Gate Park Stables, Inc. and the City is to provide the Recreation and Park the flexibility needed to make policy decisions and to guide the extensive rehabilitation of the stables in Golden Gate Park. The 15-year lease contains exhibits which, according to expert testimony, detail many of the capital improvement requirements in a manner which are not conducive to proper animal care.

As a specific example, Exhibit 2 requires the installation of floor drains in each stall. This requirement has been labeled as both unnecessary and unsafe by a Senior Plumbing Inspector with the City and by Dr. R. Bing Dilts, the Chief Veterinarian at the San Francisco Animal Control Shelter. Other requirements, which are currently inflexible due to the lease terms, may need to be altered with regard to San Francisco Building Code regulations.

The Lessee has thusfar spent approximately \$175,000 in substantially completing the first three required improvements according to the detailed timeline attached to the lease. If the Recreation and Park Commission is given the authority to grant variances for certain unnecessary portions of these three required improvements, a much needed fee increase can be entertained by the Commission. The Lessee is responsible for capital improvements during the next four years which should cost an additional \$500,000.

Although the specific requirement exhibits do address the many preexisting code violations, the primary exhibit (#2) was written by a consultant not familiar with stables or horse matters. We are discovering the Commission needs more control over this lease to adopt a more hands on approach in ensuring the stables will be properly managed during the remaining 13 years of the present lease.

cLaren Lodge, Golden Gate Park
11 Stanyan Street
San Francisco, CA 94117-1898

Phone: (415) 831-2704
Fax: (415) 666-7050

TOTAL P. 01

Item 9 - File 97-97-35

Department: Ethics Commission

Item: Ordinance amending Article XIIA of the San Francisco Administrative Code by amending Sections 16.523, 16.524, and 16.526 to (1) broaden the definition of City Officers to include Board and Commission members of the Board of Education, Community College Board, Housing Authority, Redevelopment Agency, and Transportation Authority; (2) increase the annual lobbyist registration fees by \$340 from \$35 to \$375; (3) increase the annual lobbyist per-client fees by \$85 from \$15 to \$100; (4) increase the daily late filing fees by \$15 from \$10 per day to \$25 per day; and (5) provide that when a lobbyist is required to report the salary of an employee of the lobbyist if such employees, in addition to being employees of the lobbyist, are also City Officers, the lobbyist need only disclose whether the total salary payment to the employee was less than or equal to \$250, greater than \$250 but less than or equal to \$1,000, greater than \$1,000 but less than or equal to \$10,000, or greater than \$10,000.

Description: Under the existing provisions of the City's Lobbyist Ordinance in Article XIIA of the Administrative Code, registered lobbyists are required to disclose to the Ethics Commission certain information about contacts with and efforts to influence decisions by City Officers. Registered lobbyists are also required to disclose gifts and other payments that benefit City Officers.

Under the City's existing Lobbyist Ordinance, a City Officer includes any official defined in San Francisco Administrative Code Section 1.50, as well as any official body composed of Officers of the City and County. Administrative Code Section 1.50 states that "The officers of the City and County shall be the officers elected by vote of the people, members of the Board of Education, members of boards and commissions appointed by the Mayor, members of the Juvenile Probation and Adult Probation Boards or Committees, members of the Board of Law Library Trustees, the Superintendent of Schools, the Clerk of the Municipal Court, the executive appointed as the chief executive officer under each board or commission, the Controller, the City Administrator, the head of each department under the Mayor, and such other officers as may hereafter be provided by law or so designated by ordinance."

The proposed ordinance would broaden the definition of City Officer to include members of the Board of Education, Community College Board, Housing Authority, Redevelopment Agency, and Transportation Authority.

Under the City's existing Lobbyist Ordinance, registered lobbyists are required to disclose to the Ethics Commission the exact salary payments made to their employees if the employees are also City Officers. As required by Section 16.526, lobbyists must provide quarterly activity reports which discloses all activities and related expenses, with information on the date and the amount of each expense; the full name and official position, if any, of the beneficiary of each expense; a description of the benefit; the amount of the benefit; and the full name of the payee of each expense if other than the beneficiary. Under the proposed ordinance, instead of having to report the exact salaries of employees who are also City Officers, the lobbyists would only be required to report such salaries in general categories including less than or equal to \$250, greater than \$250 but less than or equal to \$1,000, greater than \$1,000 but less than or equal to \$10,000, or greater than \$10,000.

Under the City's existing Lobbyist Ordinance, the registered lobbyists are required to pay an annual registration fee of \$35 and an annual per-client fee of \$15. In addition, there is a \$10 per day fine for the late filing of lobbyist statements and reports. The proposed ordinance would increase such fees as follows:

<u>Type of Fee</u>	<u>Existing Fees/Fines</u>	<u>Proposed Fees/Fines</u>	<u>Increased Amount</u>	<u>Percentage</u>
Registration Fee	\$35	\$375	\$340	971%
Per-Client Fee	15	100	85	566%
Late Filing Fine	10	25	15	150%

Comments:

1. Ms. Starkman advises that all fees and fines collected under the City's Lobbyist Ordinance are allocated to the City's General Fund. Attachment I provided by the Ethics Commission details both the current and anticipated additional revenues.

2. As shown in Attachment I, the existing fees and fines will generate total estimated revenues of \$5,245 in FY 1997-98. The proposed fees and fines would generate total estimated revenues of \$40,825, an increase of \$35,580 more than currently anticipated.

BOARD OF SUPERVISORS
BUDGET ANALYST

3. Ms. Starkman reports that the current annual costs of administering the Lobbyist Ordinance are estimated at \$36,972, as shown in Attachment II. According to Ms. Starkman, the current fees will generate approximately \$5,245 in revenues in FY 1997-98, which will cover approximately 14 percent of the costs to administer the City's Lobbyist Ordinance. The balance of the Ethics Commission's budget is comprised of the City's General Fund. Given that the Ethics Commission's projection of revenues assumes that an additional six new lobbyists and ten new clients will register in FY 1997-98, the projected additional fees of \$35,580 annually, together with the existing fees of \$5,245 or a total of \$40,825, are projected to fully recover the costs of administering the Lobbyist Ordinance.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Ethics Commission

Attachment I

1390 Market Street, Suite 701
 San Francisco CA 94102
 Phone 554-9510 Fax 703-0121

Annual Lobbyist Revenues**Current Revenues**

Lobbyist re-registration	\$35 x 53 registered lobbyists	=	\$1,855
Estimated # of new Lobbyists who will register in 1997-98	\$35 x 6 new lobbyists	=	- \$210
Client re-registration	\$15 x 162 registered clients	=	\$2,430
Estimated # of new clients to be registered in 1997-98	\$15 x 10 new clients	=	\$150
Late filing fine	\$10 per day x 60 days for all lobbyists	=	\$600
TOTAL:			\$5,245

Anticipated Revenues

Lobbyist re-registration	\$375 x 53 registered lobbyists	=	\$19,875
Estimated # of new Lobbyists who will register in 1997-98	\$375 x 6 new lobbyists	=	\$2,250
Client re-registration	\$100 x 162 registered clients	=	\$16,200
Estimated # of new clients to be registered in 1997-98	\$100 x 10 new clients	=	\$1000
Late filing fine	\$25 per day x 60 days for all lobbyists	=	\$1,500
TOTAL:			\$40,825

Ethics Commission



1390 Market Street, Suite 701
 San Francisco CA 94102
 Phone 554-9510 Fax 703-0121

Attachment II

Annual Costs of Lobbyist Filing

<u>Task:</u>	<u>Work Hours:</u>	<u>Reproduction Costs:</u>	<u>Mailing Costs:</u>
Advice-Giving	480		
Notification/ Mailing	100	\$1200	\$1000
Intake/Receipt	60		
Facial Audit	60		
Quarterly Report Production/ Distribution	320	\$1280	\$150
Addition/ Termination of Clients	200	\$30	
Bookkeeping	160		
Press Release	8		
Totals	(1388 Hours @ \$20 [salary] = \$27,760 (\$27,760 @ .20% [fringes] = \$5,552	\$2510	\$1150

Grand Total = \$36,972/50 (# of lobbyists) = \$739.44 Lobbyist Registration Fee

Note: Auditing 20% of lobbyists (40 hrs x 10 lobs = 400) 400 x \$25 = \$10,000

\$10,000/162 (# of clients) = \$61.73 Client Registration Fee

Items 10, 11 and 12- Files 94-91-8.13, 94-92-9.1, 213-97-1.1

Department: Public Transportation Department (PTD)

Items: Release of reserved funds to fund MUNI's direct contractual needs for the replacement of the trolley bus fleet.

Amounts:

File 94-92-9.1:	\$17,250,382
File 94-91-8.13	19,742,091
File 213-97-1.1	<u>42,187,472</u>
Total requested release:	\$79,179,945

Sources of Funds: A combination of Federal, State and regional grant funds and local transportation funds (see Comment No. 2).

Description: The 1995 Capital Improvement Plan of the Public Transportation Department (PTD) calls for the replacement of the Municipal Railway's (MUNI) aging fleet of trolley coaches. Currently, 285 of MUNI's 350 trolley coaches exceed the economic useful life of 18 years as determined by the Federal Transit Administration (FTA). In June, 1997 the Board of Supervisors approved the award of a contract, not to exceed \$168,752,888, for procurement of articulated and standard trolley coaches to Electric Transit, Inc. The PTD is now requesting the release of a total of \$79,179,945 reserved by the Board of Supervisors under three resolutions (Files 94-91-8, 94-92-9 and 213-97-1) to provide the initial funding for the Electric Transit, Inc. contract.

Comments: 1. The contract with Electric Transit, Inc. involves the procurement of 30 articulated trolley coaches at \$812,750 each and 220 standard trolley coaches at \$556,536 each, as well as related engineering, tooling, testing, spare parts, and training amounting to \$21,932,468. As stated above, the contract amount is not to exceed a total of \$168,752,888, so the subject proposed releases from reserve will fund approximately 47 percent of the maximum contract cost.

2. The sources of funding for each of the subject releases of reserved funds are summarized below:

<u>File 94-91-8.13</u>	<u>Amount</u>
Federal Section 9 Capital Assistance Funds	\$19,742,091
<u>File 94-92-9.1</u>	
Federal Section 3 Capital Assistance Funds	17,250,382

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Finance Committee
September 17, 1997 Meeting of Finance Committee

File 213-97-1.1

Federal Section 3 Capital Assistance Funds	5,343,209
Federal Section 9 Capital Assistance Funds	10,691,620
Federal Surface Transportation Program/ Congestion Management Air Quality Capital Assistance Funds	19,061,000
State Transit Capital Improvement Funds	698,389
State Bonds Funds	101,219
San Francisco County Transportation Sales Tax	4,454,000
Bridge Toll Net Revenues	<u>1,838,035</u>
Total, File 213-97-1.1	\$42,187,472

Total Requested for Release from Reserve \$79,179,945

3. Ms. Gail Bloom of the PTD states that the entire \$79,179,945 requested for release from reserve would be used by MUNI to pay Electric Transit, Inc. Ms. Bloom advises that the balance of up to \$89,572,943 that will be due to Electric Transit, Inc. is expected to be covered by future appropriations of Federal, State and regional grant funds, and will not increase the General Fund subsidy of MUNI. However, Ms. Bloom advises that the PTD anticipates a possible temporary shortfall in funds in the years 2000-2002, due to the anticipated timing of appropriation of Federal funds and the competing requirements of other light rail vehicles (LRV) and motor coach procurement projects being undertaken by the PTD concurrently with the procurement of the subject trolley vehicles.

According to Ms. Bloom, PTD staff is currently investigating various options for short-term financing to cover project costs during this two-year period, including borrowing from the San Francisco Transportation Authority or utilizing internal short-term borrowing (borrowing from available City funds, with the approval of the Board of Supervisors and the Controller). Ms. Bloom advises that, because of the short-term nature of the shortfall in funds, PTD finance staff believe that such financing options would avoid expensive borrowing costs and delays that would result from going through a normal public borrowing process. Such internal short-term financing utilizing available City funds would be subject to approval by the Board of Supervisors.

Recommendation: Approve the proposed releases of reserved funds.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 13 - File 213-96-3.4

Department: Municipal Railway (MUNI)

Item: Hearing to consider the release of reserved funds in the amount of \$1,687,500 to purchase various pieces of equipment for the Municipal Railway.

Amount: \$1,687,500

Source of Funds:	Federal Section 9 Capital Assistance:	\$1,350,000
	Bridge Toll Net Revenues	<u>337,500</u>
	Total	\$1,687,500

Description: In April of 1996, the Board of Supervisors authorized the Public Transportation Commission to retroactively apply for, accept, and expend \$72,167,041 from Federal and State grants and \$6,947,400 from various matching sources, for a total of \$79,114,441 to fund 13 MUNI projects (File 213-96-3). Pending the submission of budget details for each of the 13 projects, \$73,345,000 of the \$79,114,441 was placed on reserve.

The Finance Committee previously authorized releases of funds in the amounts of \$1,525,000 (File 213-96-3.1), \$4,591,000 (File 213-96-3.2), and \$1,570,000 (File 213-96-3.3), for a total of \$7,686,000, to fund MUNI's office automation hardware and software needs, MUNI's direct staffing and contractual needs for continued implementation of the Americans with Disabilities Act, and to purchase 30 paratransit vans. Funding in the amount of \$65,659,000 remains on reserve.

The proposed release of reserved funds would provide \$1,687,500 to fund the purchase of vehicles, equipment, and office automation hardware for MUNI.

Comments: 1. MUNI obtains almost all of its equipment through grants; none of the requested equipment items would be funded through MUNI's operating budget. Therefore, the requested items of equipment were not previously approved by the Board of Supervisors in MUNI's FY 1996-97 or FY 1997-98 operating budgets.

2. Ms. Nancy Whelan, MUNI's Director of Finance, Administration and Personnel, has requested that this request for release of reserved funds be continued to the call of the Chair, pending MUNI's verification of the prioritized list of equipment.

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Finance Committee
September 17, 1997

Recommendation: In accordance with the Department's request, continue this item to the call of the Chair.

Item 14 - File 127-97-4.2

Department: Art Commission

Item: Hearing to consider the release of reserved Hotel Tax funds in the amount of \$517,230 to the Art Commission for the four City-owned Cultural Centers (Bayview Opera House, Center for African and African American Art and Culture, Mission Cultural Center for Latino Arts, and South of Market Cultural Center).

Amount: \$517,230

Source of Funds: Previously reserved Hotel Tax funds

Description: On July 21, 1997 the Board of Supervisors approved an ordinance (File 127-97-4) allocating a portion of the Hotel Tax Fund, commencing in FY 1997-98, to the four City-owned Cultural Centers: 1) Bayview Opera House, 2) Center for African and African American Art and Culture, 3) Mission Cultural Center for Latino Arts, and 4) South of Market Cultural Center. The entire amount of \$650,000 was placed on reserve for Fiscal Year 1997-98, pending the submission of budget details to the Finance Committee.

On September 5, 1997, the Board of Supervisors subsequently approved an ordinance (File 127-97-6.1) which changed the special purpose allocations of Hotel Tax revenues from percentages to specific dollar amounts, adjusted annually by the rate of actual growth or reduction in total Hotel Tax revenues. This previously approved ordinance appropriated an additional \$600,000 of Hotel Tax revenues to the Cultural Centers in FY 1997-98, for a total of \$1,250,000 in additional Hotel Tax Fund monies for the Cultural Centers in FY 97-98. The Attachment to this report, provided by the Art Commission, is a budget for \$1,250,000 for FY 1997-98, including the subject \$517,230.

The Art Commission is now requesting the release of reserved funds in the amount of \$517,230 to fund programming at the City's four Cultural Centers.

Budget: The budget for the \$517,230 is as follows:

Bayview Opera House	\$ 62,475
Center for African and African American Art and Culture	99,225
Mission Cultural Center for Latino Arts	146,055
South of Market Cultural Center	<u>209,475</u>
Total	\$517,230

BOARD OF SUPERVISORS
BUDGET ANALYST

Comments:

1. According to Ms. Liz Lerma of the Art Commission, in FY 1996-97, the Cultural Centers received a total of approximately \$490,000 for programming from Grants for the Arts (funded through the Hotel Tax) and approximately \$75,000 for building operations and maintenance from the Art Commission. Ms. Lerma states that, historically, the amount of funding available for building operations and maintenance has been inadequate and the Cultural Centers have had to use a portion of Grants for the Arts funds intended for programming for building operations and maintenance. Ms. Lerma advises that, under the reallocation of the Hotel Tax funds previously approved by the Board of Supervisors, the Cultural Centers will receive dedicated Hotel Tax funds for programming, building operations and maintenance via the Art Commission, instead of receiving funds through Grants for the Arts.

2. Ms. Lerma reports that programming allocations are based upon 1996-97 Grants for the Arts programming allocations, increased by five percent for FY 1997-98. According to Ms. Lerma, the subject \$517,230 will be used for a wide variety of programming needs at the four Cultural Centers, serving approximately 500,000 persons each year and including community arts, music, dance and exercise classes and workshops; theatrical performances; gallery exhibitions; youth training; visual arts programs; and other cultural activities and events.

Recommendation: Approve the requested release of reserved funds in the amount of \$517,230.

5
Memo to Finance Committee
September 17, 1997 Finance Committee Meeting

DOCUMENTS DEPT.

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SAN FRANCISCO
PUBLIC LIBRARY**REVISED****Comments:**

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1. According to Ms. Liz Lerma of the Art Commission, in FY 1996-97, the Cultural Centers received a total of approximately \$490,000 for programming from Grants for the Arts (funded through the Hotel Tax) and approximately \$75,000 for building operations and maintenance from the Art Commission. Ms. Lerma states that, historically, the amount of funding available for building operations and maintenance has been inadequate and the Cultural Centers have had to use a portion of Grants for the Arts funds intended for programming for building operations and maintenance. Ms. Lerma advises that, under the reallocation of the Hotel Tax funds previously approved by the Board of Supervisors, the Cultural Centers will receive dedicated Hotel Tax funds for programming, building operations and maintenance via the Art Commission and Grants for the Arts.

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Recommendation: Approve the requested release of reserved funds in the amount of \$517,230.

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BOARD OF SUPERVISORS
BUDGET ANALYST



SAN FRANCISCO ART COMMISSION

25 VAN NESS AVE SUITE 240, SAN FRANCISCO, CA 94102
TEL. 415.252 2590 FAX 415.252 2595

Attachment
Page 1 of 3

MEMORANDUM

August 8, 1997

TO: Rich Newirth, Director of Cultural Affairs

FROM: Liz Lerma, Director, Community Arts & Education Program *liz*

RE: Hotel Tax Reallocation Legislation Spending Plan

cc: Nancy Gonchar, Assistant Director

Attached please find 1997-98 recommended budget for implementation of the Hotel Tax Reallocation Legislation. It considers input from the cultural centers' directors who attended special meetings held on July 3, 10, 17, 23, and August 30, 1997. SFAC CAE Commissioners also discussed implementation of the legislation at the Community Arts & Education Program Committee Meeting on August 5, 1997. The following plan targets specific goals which address concerns referenced in the legislation, and expressed by the Mayor and the Board of Supervisors. Those concerns are in the areas of: Evaluation, Accountability, Community Input/Outreach, and 20% Earned Income Generation.

Goals:

- To develop consistent financial reporting systems.
- To increase earned income generation.
- To improve artistic quality.
- To develop organizational capacity.
- To promote community outreach, involvement and inclusion.
- To ensure that the cultural centers are safe, clean and secure.

The budget is framed to reach these goals through funding the following major categories: Cultural Center Programming, Collaborative Programming, Resource Sharing, Professional Services, and Facility Operations. Cultural centers' expenses will be funded on a reimbursement basis, per existing Grants for the Arts Hotel Tax Fund current policy and procedures.

Cultural Center Programming:

\$517,230

Programming recommendations are based on 1996-97 Grants for the Arts allocations with a 5% increase. Historically, the centers have had to use these funds for building operations and maintenance. Artistic quality can improve with funding focused on programming, allowing for the hiring of curators, artistic directors, exhibit installationists and technicians. It also supports administrative staff, production and exhibit expenses. Attached please find 1997-98 GFTA application budgets which detail operating expenses.

Hotel Tax Reallocation Legislation Spending Plan

Page 2

Cultural Center Programming: (continued)

Programming allocation recommendations are as follows:

Bayview Opera House	\$ 62,475
Center for African and African American Art & Culture	\$ 99,225
Mission Cultural Center for Latino Arts	\$146,055
South of Market Cultural Center	\$209,475

TOTAL	\$517,230
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Collaborative Programming:	\$105,000
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This category provides funding to promote community outreach, involvement and inclusion. The cultural centers will submit proposals to implement projects in collaboration with other community based organizations and consortiums. The Art Commission will review and approve projects with panel recommendations, per existing SFAC grants program policy.

Resource Sharing:	\$120,000
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This category addresses the accountability concern and will develop organizational capacity for all cultural centers by providing for financial management, marketing and public relations, earned income development, audience development, and board development with an emphasis on fundraising and advocacy. It will fund the development of consistent financial reporting systems.

Facility Operations:	\$167,900
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This category provides for facility systems maintenance such as: security and fire alarm equipment, elevator and stage lift. It provides for pest control, garbage and hazardous waste disposal, janitorial supplies, facility maintenance supplies, lighting and sound equipment supplies, sewer, fire extinguisher service, and office expenses. It will assure that the cultural centers remain open and accessible and remain vital contributors to the cultural life of the City.

Professional Services:	\$309,870
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This category will ensure that the cultural centers are safe, clean and secure. It provides facility services such as: custodial, maintenance, and security.

Art Commission Administration:	\$30,000
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Implementing the Hotel Tax Reallocation legislation will require additional administrative support for the accounting process as well as the scheduling, oversight and reporting of services and implementation activities.

Total Programming and Operations Budget: \$1,250,000

SFAC will evaluate the accomplishments of the cultural centers in June, 1998. Standards of performance are being developed at this time. Community input will also inform the Art Commission in the evaluation process.

San Francisco Art Commission Community Cultural Centers			
1997-98 Operations & Programming Budget			
Cultural Center Programming			
BVOH			62,475
CAAAC			99,225
MCCLA			146,055
SOMAR			209,475
Subtotal Programming			\$517,230
Collaborative Programming			
Projects			105,000
Subtotal Collaborative Programming			\$105,000
Resource Sharing			
Financial Management			\$40,000
Marketing & Public Relations			\$40,000
Development			\$40,000
Subtotal Resource Sharing			\$120,000
Professional Services			
Custodial			127,000
Security			58,000
Maintenance			100,470
Mechanical Systems Maintenance: HVAC			24,400
Subtotal Professional Services			\$309,870
Facility Operations			
Office Expenses			23,200
Central Shops Truck Inspections			1,000
Sewer			4,000
Fire Extinguisher Service			2,000
Elevator/Stage Lift Service			8,000
Janitorial Supplies			26,700
Garbage/Waste Removal			9,000
Facility Maintenance Supplies			20,000
Pest Control			10,000
Security/Fire Alarm Service/Monitor			9,000
Lighting Supplies			20,000
Other Equipment Maint: Seats/Drapes/Carpeting			15,000
Sound System Supplies			20,000
Subtotal Facility Operations			\$167,900
Subtotal Programming & Operations			\$1,220,000
Art Commission Admin			30,000
Total Programming & Operations			\$1,250,000

Item 15 - File 101-97-14

Department: Department of Public Health (DPH)

Item: Ordinance appropriating \$35,000 from the General Fund Reserve for Other Professional Services to allow the Community Health Service to provide HIV testing services at the San Francisco Community College District for FY 1997-98.

Amount: \$35,000

Source of Funds: General Fund Reserve

Description: The proposed supplemental appropriation ordinance would appropriate \$35,000 from the General Fund Reserve to the Community Health Service to provide HIV testing services at the San Francisco Community College District for FY 1997-98.

Comment: Ms. Monique Zmuda of DPH, advises that DPH and the Community College of San Francisco (CCSF) have not yet developed a proposal or contract for the HIV testing services to be funded with the subject \$35,000 supplemental appropriation. Ms. Zmuda reports that DPH is therefore requesting that the Board of Supervisors continue the proposed supplemental appropriation ordinance for two weeks.

Recommendation: Continue the proposed supplemental appropriation ordinance to the Finance Committee meeting of October 1, 1997, as requested by DPH.

Item 16 - File 101-97-13

Department: Recreation and Park Department (RPD)

Item: Ordinance appropriating 1992 Golden Gate Park Infrastructure Bond Fund proceeds for various capital improvement projects at Golden Gate Park.

Amount: \$25,105,000

Source of Funds: 1992 Golden Gate Park Infrastructure Bond Funds, Series 1997A

Description: In June of 1992, the San Francisco voters approved \$76,300,000 of General Obligation Bonds (Golden Gate Park Improvement Bonds, 1992) for the reconstruction of Golden Gate Park's utilities and infrastructure. The City had previously sold \$34,135,000 of these bonds. In June of 1997, the Board of Supervisors authorized the sale of an additional \$26,000,000 of these Golden Gate Park Improvement Bonds, leaving an unsold capacity under this bond issue of \$16,165,000. The proposed ordinance would appropriate \$25,105,000 from this most recent bond issuance.

To date, the Board of Supervisors have appropriated \$33,647,000 of the total \$76,300,000 of General Obligation bonds authorized by the voters. The proposed supplemental appropriation ordinance would appropriate an additional \$25,105,000 of these funds, leaving a remaining unappropriated balance of \$17,548,000.

The proposed supplemental appropriation would provide funds for various Golden Gate Park capital improvement projects in the following three general areas: (1) major water supply and distribution projects, including a new centralized reservoir, well water lines and reclaimed water lines, (2) various utility projects, including lighting, sewer and drainage projects and (3) rehabilitation of various lakes throughout the Park. The 13 actual projects to be completed with the proposed funds are as follows:

Pump Station and Reservoir
West End Utilities
Martin Luther King, Jr. Utilities
Speedway Meadow Utilities
Arboretum Restroom and Utilities
Rainbow Falls and Lloyd Lake Rehabilitation
Japanese Tea Garden Accessibility

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Finance Committee
September 17, 1997 Finance Committee Meeting

Crossover Drive Utilities
Conservatory Valley Rehabilitation
Golden Gate Park East Irrigation
Equestrian Field Utilities
Restroom Renovation (ADA), Phase III
Big Recreation Ball Fields Rehabilitation`

Budget: A budget summary for the use of the proposed \$25,105,000 is as follows:

DPW Engineering and Project Management		\$4,232,000
RPD Administration and Planning	\$695,199	
RPD In-House Construction Labor	2,808,873	
RPD Materials	300,000	
RPD Contractual Services	<u>450,000</u>	
Total RPD		Rounded to 4,250,000
Construction		16,518,000*
Bond Issuance Costs		
Bond Counsel	15,972	
Bond Counsel Expenses	5,324	
City Attorney Services	10,648	
City Controller Services	10,648	
Financial Advisor	15,972	
Rating Agencies	22,973	
Official Statement Preparation	5,324	
Printing and Mailing	5,856	
Advertising	4,259	
Other Costs	<u>8,024</u>	
Subtotal		<u>\$105,000</u>
Total		\$25,105,000

* The total construction cost for the 13 projects in Golden Gate Park is estimated to be \$39,970,000. The \$23,452,000 balance of the construction funds (\$39,970,000 total less \$16,518,000 in the proposed supplemental appropriation) is anticipated to come from approximately \$7,000,000 of funds remaining from the prior bond sale and over \$16,000,000 that will be realized from the next bond sale.

Comments: 1. Attachment 1 provided by the Department of Public Works contains a summary budget for the DPW's construction engineering and project management costs for \$4,232,000 broken out for each of the 13 specific projects. DPW has provided the Budget Analyst with a

BOARD OF SUPERVISORS
BUDGET ANALYST

detailed breakdown of the positions, classifications, hourly rates, total number of hours and amounts for each of these 13 specific projects, which are summarized on Attachment 1. According to Mr. Joel Carpio of the DPW, the requested funds for DPW would cover all of the remaining engineering and project management costs for each of the 13 specified projects shown in the Attachment.

2. Attachment 2 contains the detailed breakdown for the RPD staffing, including the positions, classifications, hourly rates, number of hours, number of positions and total staffing costs at an annual cost of \$1,168,024. Attachment 2 also identifies \$100,000 for material and \$150,000 for contractual service costs annually for a total annual cost of \$1,418,024. Mr. Carpio reports that the RPD staffing, materials and contractual services costs would cover the three-year period from July 1, 1997 through June 30, 2000. As shown on Attachment 2, the RPD therefore estimates a three-year cost of approximately \$4,250,000 (\$1,418,024 annually x 3 years and rounded).

3. The RPD is requesting \$150,000 per year for three years, or a total of \$450,000, for contractual services. According to Mr. Carpio, the specific details for these contracts cannot be provided at this time since none of these contracts have yet been bid or awarded. Therefore, the Budget Analyst's Office recommends that this \$450,000 for contractual services for RPD be placed on reserve, pending the selection of contractors and the details on the specific costs and MBE/WBE status for these contractual services.

4. Attachment 3 shows the timeline for the completion of various tasks in the Golden Gate Park Bond Project. According to Ms. Deborah Learner of the Recreation and Park Department, as shown in Attachment 3, the Department of Public Works is currently completing the design and engineering plans for the Bowling Green Drive Utilities, West End Utilities, Pump Station and Reservoir, Japanese Tea Garden and Rainbow Falls/Loyd Lake. According to Mr. Carpio, both DPW and RPD staff have been doing some preliminary work on these projects since July 1, 1997. Until this engineering phase is completed and the specific plans and specifications are developed, the contracts will not be issued for bid. Therefore, Ms. Learner reports that, to date, no contractors have been selected for the proposed projects.

BOARD OF SUPERVISORS
BUDGET ANALYST

Therefore, the Budget Analyst recommends that the requested \$16,518,000 for construction contracts be placed on reserve pending the selection of the specific contractors, the MBE/WBE status of the contractors, the amount of each of the contracts and related cost details.

5. Ms. Monique Moyer of the Mayor's Office reports that the Bond Counsel is Brown and Wood and Pamela Jue (M/WBE), who were selected through a Request for Proposal (RFP) process through the City Attorney's Office. According to Ms. Moyer, the Financial Advisors on this project are Public Financial Management, Inc. (PFM) and Kitahata and Company (MBE), who were also both hired through a RFP process in 1993. In addition, the Rating Agencies are Moody's Investors Service, Fitch Investors and Standard and Poor's.

6. Approval of the proposed ordinance will have no affect on the City's General Fund. According to Ms. Learner it is anticipated that the proposed refurbishing, repair and replacement of the existing facilities and utilities will enable the RPD to provide more efficient ongoing maintenance for these new facilities.

Recommendations:

Reserve \$450,000 for RPD contractual services, pending selection of the contractors, MBE/WBE status and other cost details, as discussed above in Comment 3.

Reserve \$16,518,000 for construction contracts pending selection of the contractors, MBE/WBE status and other cost details, as discussed above in Comment 4.

Approve the proposed ordinance, as amended.

Summary of Construction Engineering Costs
1992 Golden Gate Park Bond Projects

Description	Contract Area	Cost	Job Order
Pump Station and Reservoir	21, 22	\$ 1,080,000.00	7416E
West End Utilities	6, 11, 19	\$ 975,000.00	1076N
MLK, Jr Utilities	17, 28, 41	\$ 980,000.00	1381N
Speedway Meadow Utilities	24	\$ 345,000.00	1383N
Arboretum	33	\$ 200,000.00	1378N
Rainbow Falls and Lloyd Lake	26, 30	\$ 175,000.00	1129N
Japanese Tea Garden	34	\$ 110,000.00	1236N
Crossover Drive Utilities	25	\$ 92,000.00	1379N
Conservatory Valley	46	\$ 75,000.00	
GGP East Irrigation	36, 39, 42, 47	\$ 70,000.00	
Equitation Field & Section 6	8	\$ 55,000.00	
Restroom ADA Renovation 3	Mult	\$ 45,000.00	1377N
Big Recreation Ball Fields	39	\$ 30,000.00	
TOTAL:		\$ 4,232,000.00	

Note: Following Pages breakdown by Position

1992 Golden Gate Park Rehabilitation Bond
 Recreation and Parks Department
 Staffing Plan

Section	Classification	Position	Hourly Rate	No.	Total Hours	Amount
Administration and Planning	5282	Planner IV	\$ 69.47	1	2080	\$ 144,497.60
	1426	Secretary	\$ 41.94	1	2080	\$ 87,235.20
Reforestation	7328	Operations Engineer	\$ 58.26	1	2080	\$ 121,180.80
	3436	Tree Crew Supervisor	\$ 52.85	1	2080	\$ 109,928.00
	3434	Treetopper	\$ 44.59	2	2080	\$ 185,494.40
	3418	Gardener Supervisor	\$ 46.80	1	2080	\$ 97,344.00
	3417	Gardener	\$ 40.61	3	2080	\$ 253,406.40
Erosion Control	3417	Gardener	\$ 40.61	2	2080	\$ 168,937.60

SUBTOTAL: \$ 1,168,024.00

1-House Construction

Materials Allowance	\$ 100,000.00		\$ 100,000.00
Contractual Services	\$ 50,000.00	3 times estimated	\$ 150,000.00

TOTAL per year: \$ 1,418,024.00

3 Year Projection: \$ 4,254,072.00

SAY: \$4,250,000.00

1992 Golden Gate Park Bond
projects for years 1997 to 2000

Attachment 3

ID	Contract Area	Job Description	Start/1	Finish/1	1997	1998	1999	2000	2001
1	37, 38, 44, 45	Bowling Green Drive Utilities	9/25/96	8/15/97	Jan/Nov	Jan/Nov	Jan/Nov	Jan/Nov	Jan/Nov
2	19, 11, 6	West End Utilities	2/21/97	12/15/97	Jan/Nov	Jan/Nov	Jan/Nov	Jan/Nov	Jan/Nov
3	39	Pump Station and Reservoir	6/15/97	1/21/98	Jan/Nov	Jan/Nov	Jan/Nov	Jan/Nov	Jan/Nov
4	34	Japanese Tea Garden Phase 1&2	5/19/97	2/20/98	Jan/Nov	Jan/Nov	Jan/Nov	Jan/Nov	Jan/Nov
5	28, 30	Rainbow Falls/Lloyd Lake	6/3/97	3/16/98	Jan/Nov	Jan/Nov	Jan/Nov	Jan/Nov	Jan/Nov
6	28, 17, 41	MLX Utilities	4/17/97	6/13/98	Jan/Nov	Jan/Nov	Jan/Nov	Jan/Nov	Jan/Nov
7		Restrooms Phase Three	10/5/97	10/2/98	Jan/Nov	Jan/Nov	Jan/Nov	Jan/Nov	Jan/Nov
8	46	Conservatory Valley	10/13/97	6/19/98	Jan/Nov	Jan/Nov	Jan/Nov	Jan/Nov	Jan/Nov
9	24	Speedway Meadows	2/17/98	11/23/98	Jan/Nov	Jan/Nov	Jan/Nov	Jan/Nov	Jan/Nov
10	Wells, 8	Equitation Field & Section 6 Yard	3/16/98	10/9/98	Jan/Nov	Jan/Nov	Jan/Nov	Jan/Nov	Jan/Nov
11	23	Mallard Lake	4/13/98	2/15/99	Jan/Nov	Jan/Nov	Jan/Nov	Jan/Nov	Jan/Nov
12	21	Polo Fields	6/1/98	1/26/99	Jan/Nov	Jan/Nov	Jan/Nov	Jan/Nov	Jan/Nov
13	33	Arboretum	10/26/98	3/30/99	Jan/Nov	Jan/Nov	Jan/Nov	Jan/Nov	Jan/Nov
14		GOP East Irrigation	10/1/98	3/1/99	Jan/Nov	Jan/Nov	Jan/Nov	Jan/Nov	Jan/Nov
15	39	Big Reclamation	10/1/98	11/4/98	Jan/Nov	Jan/Nov	Jan/Nov	Jan/Nov	Jan/Nov
16					Jan/Nov	Jan/Nov	Jan/Nov	Jan/Nov	Jan/Nov
17	36	Redwood Grove, Card Shelter & Racoon Hal	12/10/98	3/1/99	Jan/Nov	Jan/Nov	Jan/Nov	Jan/Nov	Jan/Nov
18	32	Slow Lake	2/23/99	11/1/99	Jan/Nov	Jan/Nov	Jan/Nov	Jan/Nov	Jan/Nov
19					Jan/Nov	Jan/Nov	Jan/Nov	Jan/Nov	Jan/Nov
20					Jan/Nov	Jan/Nov	Jan/Nov	Jan/Nov	Jan/Nov
21					Jan/Nov	Jan/Nov	Jan/Nov	Jan/Nov	Jan/Nov

Project:	Construction	Progress	Summary	Rollup Task
Date: 4/2/97	Design	Milestone	Summary	

BOE WUSERS' CARPIO JOEL VUELWASTER BOND \$2 MPP 4/2/97

Item 17 - File 170-94-1.2

Department: Office of the Mayor

Item: Resolution amending and restating Resolution No. 93-94, which authorized the issuance of City and County of San Francisco General Obligation Refunding Bonds in one or more series in an aggregate principal amount not to exceed \$600,000,000.

Description: In January of 1994, the Board of Supervisors approved Resolution No. 93-94 (File 170-94-1) together with related bond documentation, which authorized City officials to proceed with a refinancing of the City's outstanding General Obligation bonds in FY 1994-95 by issuing and selling up to \$600,000,000 of General Obligation Refunding Bonds. The purpose of issuing and selling such bonds is to realize debt service savings by retiring higher interest rate bonds and replacing such bonds with lower interest rate bonds. In July of 1995, the Board of Supervisors affirmed and renewed the authorization of Resolution 93-94 for FY 1995-96 (File 170-94-1.1) and thereby authorized the sale of Series 1995 General Obligation Refunding Bonds. However, Ms. Monique Moyer of the Mayor's Office advises that once it was established that the City had the authority to issue General Obligation Refunding bonds, municipal bond market interest rates were no longer favorable enough to generate sufficient savings.

According to Ms. Moyer, municipal bond interest rates are once again at levels low enough to produce significant savings from the refinancing of certain of the City's outstanding General Obligation bonds. The proposed resolution would amend and restate Resolution No. 93-94, together with related bond documentation, to authorize the sale of Series 1997 General Obligation Refunding Bonds.

Ms. Moyer advises that the City expects to issue approximately \$413,630,000 of Series 1997-1 General Obligation Refunding Bonds to refund approximately \$382,750,000 in outstanding General Obligation Bonds. Following the issuance of the Series 1997-1 Refunding bonds, an amount of \$186,370,000 (\$600,000,000 less \$413,630,000) would remain within the limit of the aggregate principal amount of General Obligation Refunding bonds authorized under Resolution 93-94.

General provisions of the issuance and sale of the City's General Obligation Refunding Bonds authorized under Resolution 93-94 are as follows:

BOARD OF SUPERVISORS
BUDGET ANALYST

- The Controller would be authorized and directed to determine which issues (or maturities within any issues) of previously issued General Obligation Bonds shall be refunded from proceeds of any series of bonds and to provide for the sale of any series of bonds;
- The Series 1997-1 Refunding Bonds would be sold at an interest rate which could not exceed 12 percent per year, and would mature no later than the final maturity date of the bonds to be refunded;
- Costs incurred in connection with the issuance of the Series 1997-1 Refunding Bonds shall not exceed two percent of the principal amount of such bonds.

The proposed resolution also includes the following amendments to Resolution 93-94:

- Changes authorization to administer the issuance of refunding bonds from the Chief Administrative Officer to the Controller;
- Provides that the Series 1997-1 Refunding Bonds would be issued only if the debt service of the Series 1997-1 Refunding Bonds would result in positive net present value savings to the City of at least three percent over debt service of the prior bonds;
- Removes the requirement that the Refunding Bonds have a final maturity date before June 30, 2020;
- Removes the requirement that the City obtain further annual approval from the Board of Supervisors to issue General Obligation Refunding bonds provided the aggregate principal amount of the refunding bonds does not exceed the \$600,000,000 amount that has been previously approved by the Board of Supervisors;
- Conforms to current advertising requirements for soliciting bids;
- Adds a Continuing Disclosure Certificate as required by the Securities and Exchange Commission Rule 15(c) 2-12 effective as of July 1, 1995;
- Requires that a final draft of the Preliminary Official Statement be provided to the Board of Supervisors five days prior to distribution to potential bidders and investors;

- Provides for inclusion of all outstanding General Obligation bonds which could be refinanced under specific municipal bond market conditions, as listed in Schedule A of the proposed resolution.

Comments:

1. The City currently has \$822,695,000 of outstanding General Obligation bonds. Ms. Moyer estimates that the City would issue approximately \$413,630,000 of General Obligation Refunding Bonds (Series 1997-1 bonds) to refund approximately \$382,750,000 of outstanding General Obligation Bonds. Therefore, approximately \$439,945,000 in outstanding General Obligation Bonds would not be refunded (\$822,695,000 less \$382,750,000). A list of the proposed bonds to be refunded is shown in Attachment 1, provided by Ms. Moyer.

2. Under the proposed resolution, the annual interest rate for the Refunding Bonds may not exceed 12 percent. Ms. Moyer reports that if the Series 1997-1 Refunding Bonds were sold today, the average interest rate would be approximately 4.88 percent, which is 1.47 percent less than the average overall interest rate of approximately 6.35 on the existing bonds.

3. A comparison of the Series 1997-1 General Obligation Refunding Bonds and the aggregate bonds to be refunded is presented below. The aggregate debt service savings resulting from the refunding is a function of (1) lower annual debt service combined with (2) a shorter debt repayment period. The anticipated savings schedule generated by issuing the Series 1997-1 General Obligation Refunding bonds produces positive debt service savings in each year. The minimum estimated annual debt service savings is \$1,516 (occurring in Fiscal Year 2004-05), and the estimated maximum annual debt service savings is \$7,594,900 (occurring in Fiscal Year 2015-16).

The outstanding General Obligation bonds to be refunded have a 19 year schedule of debt service. The Series 1997-1 General Obligation Refunding bonds (the new bonds) only have a 17 year schedule of debt service. Thus, a significant amount of savings occurs in the final two years of the analysis when no debt service is repaid. According to Ms. Moyer, the City will realize total estimated savings of \$29,095,383 over the next 19 years as a result of the Series 1997-1 Refunding Bond issue. Because General Obligation Bond debt service requirements are met through adjustments to property tax rates, any savings in annual debt service will result in lower property taxes for San Franciscans. Ms. Moyer advises that the estimated average annual savings per

Memo to Finance Committee
September 17, 1997 Finance Committee Meeting

household is \$10.28, and total savings would be \$195 per household. A summary of the impact of the Series 1997-1 General Obligation Refunding bonds is presented in the table below.

	Bonds to be <u>Refunded</u> ¹	Series 1997-1 <u>Refunding Bonds</u> *	Increase (Decrease)*
Principal Amount	\$382,750,000	\$413,630,000	\$30,880,000
Final Maturity	June 15, 2016	June 15, 2014	(two years)
Avg. Interest Rate	6.35%	4.88%	(1.47%)
Minimum Annual Debt Service Savings	\$45,234,767	\$45,233,251	(\$1,516)
Maximum Annual Debt Service Savings	\$7,594,900	\$0	(\$7,594,900)
Annual Amount/Household**	\$222.95	\$212.67	(\$10.28)
Total Debt Service	\$631,573,903	\$602,478,520	(\$29,095,383)
<u>Total Cost/Household**</u>	<u>\$4,235.96</u>	<u>\$4,040.82</u>	<u>(\$195.14)</u>

* Amounts are based on market expectation. An increase in interest rates could result in a reduction of savings.

** Average Household assessed valuation assumed at \$400,000.

4. The proposed resolution includes a provision that the refunding shall result in a positive net present value savings of at least three percent. Ms. Moyer advises that a minimum savings of three percent is standard in the industry, and that estimated savings to the City are slightly above five percent. The net present value savings test for refunding bonds, as required under the City's Charter, was established in an ordinance approved by the Board of Supervisors on August 25, 1997 (File 97-97-41). The minimum savings requirement of three percent is included as part of the proposed resolution and would apply only to the Series 1997-1 General Obligation Refunding Bonds.

5. As stated above, the proposed resolution amends Resolution 93-94 to remove the requirements that the Refunding Bonds have a final maturity date before June 30, 2020, and that the City obtain annual approval from the Board of Supervisors to issue General Obligation Refunding bonds. Ms. Moyer advises that these amendments provide the

¹Those aspects defined as "Bonds to be Refunded" do not include any General Obligation bonds which are not intended to be refunded.

6. Ms. Moyer reports that the cost of issuing the proposed Series 1997 Refunding Bonds, including fees for bond counsel and financial advisors and the services of the Controller and the City Attorney, are expected to be approximately \$700,000 (these costs are outlined in Attachment 2). Ms. Moyer indicates that these fees are higher than normal because over the past four years the City has considered issuing General Obligation Refunding bonds on three occasions. Consequently, such fees, which are normally paid from bond proceeds, have not been paid since the Refunding bonds have not been sold in the past. As stated above however, the Series 1997-1 Refunding bonds would be the first General Obligation Refunding bonds issued by the City.

7. Ms. Moyer advises that the Mayor's Office has retained the services of Public Financial Management, Inc. and Kitahata & Company (certified by HRC as an MBE firm) as co-financial advisors for this transaction. Ms. Moyer notes that both firms were selected in 1993 pursuant to an RFP process and both firms comply with all City contracting requirements, including the Equal Benefits Ordinance.

8. The City Attorney's Office has retained the services of O'Melveny and Myers LLP and Lofton, DeLancie & Nelson as co-bond counsel. According to Mr. Victor Castillo of the City Attorney's Office, both firms were selected pursuant to an RFP process and are in compliance with City contract requirements, including the Equal Benefits Ordinance.

Recommendation: Approve the proposed resolution.

CITY AND COUNTY OF SAN FRANCISCO

Attachment 1

General Obligation Bonds (as of July 1, 1997)

<u>Series Name</u>	<u>Before Refunding</u>	<u>Following Refunding</u>	<u>Refunded</u>
1972 Street and Parkway Lighting Bonds	\$ 360,000	\$ 360,000	\$ -
1987 Fire Protection	22,780,000	1,405,000	21,375,000
1988 Various Purposes	24,000,000	5,740,000	18,260,000
1988A Public School Facilities	25,925,000	3,005,000	22,920,000
1989A Public Library Facilities	7,110,000	815,000	6,295,000
1989B Street Improvements	7,110,000	815,000	6,295,000
1990 A&B	21,610,000	1,095,000	20,515,000
1991 A, B & C	93,270,000	15,295,000	77,975,000
1991 D, E, F & G	45,075,000	9,160,000	35,915,000
1992 A, B, C & D	127,785,000	35,825,000	91,960,000
1993 A, B, C & D	91,480,000	91,480,000	-
1994 A, UMB Program	32,785,000	32,785,000	-
1994 A, B, C & D	62,310,000	18,505,000	43,805,000
1995 A & B	44,480,000	44,480,000	-
1996 A	61,790,000	61,790,000	-
1996 B, C, D, & E	86,585,000	49,150,000	37,435,000
1997 A & B	47,155,000	47,155,000	-
 SUB-TOTALS	 \$ 801,610,000	 \$ 418,860,000	 \$ 382,750,000
 Public Service Enterprise	 \$ 12,515,000	 \$ 12,515,000	
Port Enterprise	\$ 8,570,000	\$ 8,570,000	
 TOTALS	 \$ 822,695,000	 \$ 439,945,000	

Source: Mayor's Office of Finance & Legislative Affairs, City & County of San Francisco

COST OF ISSUANCE

City & County of San Francisco
 General Obligation Refunding Bonds, Series 1997
 Current Insured Scale
 Refunding of 'All' Bonds w/ Savings
 Semi-Annual Refunding Principal

Cost of Issuance	\$/1000	Amount
Bond Council	0.48352	200,000.00
City Attorney	0.24176	100,000.00
Financial Advisors	0.32396	134,000.00
Trustee	0.01813	7,500.00
Escrow Agent	0.03626	15,000.00
Verification Agent	0.06044	25,000.00
City Controller	0.06462	35,000.00
Office of Public Finance	0.12088	50,000.00
Fitch	0.03626	15,000.00
Moody's	0.08703	36,000.00
Standard & Poors	0.09670	40,000.00
Printing & Mailing OS	0.04835	20,000.00
OS Preparation	0.01209	5,000.00
Advertising	0.01209	5,000.00
Redemption Notice	0.01451	6,000.00
Other Costs	0.01571	6,500.00
	1.69233	700,000.00

Item 18 - File 101-97-17

Department: Department of Public Health (DPH)

Item: Supplemental appropriation for the purchase of the building located at 2789 25th Street (the C-Med Building) for the Department of Public Health for FY 1997-98.

Amount: \$10,665,000

Source of Funds: Proceeds from the sale of Certificates of Participation (COPs)

Description: In May of 1997 the Board of Supervisors approved a resolution authorizing the City to purchase the building located at 2789 25th Street, known as the C-MED Building, a portion of which is currently leased by the City. The resolution authorized the issuance of up to \$15,000,000 in Certificates of Participation (COPs), a financing technique which provides long term financing through the sale of proportionate interests in the property, to be repaid by the City through a lease held by a trustee, who would transfer fee title to the property to the City at the end of the lease term. The source of funds for covering annual project debt payment for the COPs and operations and maintenance costs would be the currently budgeted funds for rental costs, operations and maintenance costs for the C-MED Building. Such funds are in the DPH Operations budget.

The proposed supplemental appropriation ordinance would fund the City's purchase of the C-MED Building, and related financing, renovation and tenant relocation costs. The purchase would be funded by sale of the COPs. Ms. Monique Moyer of the Mayor's Office advises that the COPs are scheduled to be priced (i.e. the City will select the most favorable bid for the COPs, based on price and interest rate) on the morning of September 17, 1997, the same date as the Finance Committee meeting at which the subject supplemental appropriation is calendared. According to Ms. Moyer, following the COP pricing, the transaction is scheduled to close on September 30, 1997, when the City would receive title to the C-MED Building. (See Comment No. 1.)

The DPH currently leases space in the C-Med Building for use as the dispatch center, training facility and administrative headquarters for Paramedic Services. With the transfer of Paramedic Services from the DPH to the San Francisco Fire Department (SFFD), joint Fire/Paramedic dispatch functions will be administered in the C-Med Building by the SFFD until the anticipated July 1999

Board of Supervisors
Budget Analyst

completion of the City's new Turk Street Combined Emergency Communications Center. At that time, it is anticipated that the existing dispatch facility in the C-Med Building will serve as the "hot backup" emergency dispatch facility for the City, and continue to be used for limited Fire/Paramedic dispatch functions on a routine basis.

Attachment No. 1 to this report, provided by the DPH, summarizes the proposed uses for the C-Med Building, in addition to the dispatch functions, which include relocation of DPH functions from leased space and relocation of San Francisco General Hospital (SFGH) offices to create space on the SFGH campus for relocation of SFGH clinical operations from seismically unsound buildings.

As previously reported by the Budget Analyst (File 84-97-3), the Mayor's Office estimates that purchase of the C-Med Building at this time will save the City approximately \$5.2 million in 1997 dollars over the next 20 years, compared to the cost of continuing to lease the building.

Budget:

The proposed funds would be allocated as follows:

Purchase Price (see Comment No. 3)	\$8,074,000
Building Improvements (see Comment No. 4.)	726,000
Relocation Costs of Existing Tenants (see Comment No. 5)	300,000

Project Costs

Appraisal Services

Hanford-Healy Associates	9,700
Clifford Associates	7,000

Arbitration Fees

JAMS-End dispute, flat fee for arbitration services related to determination of purchase price.	10,000
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City Attorney

Legal services related to acquisition, based on an average hourly rate of \$125 per hour for 720 hours. (See Comment No. 6.)	90,000
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Department of Real Estate

Services related to acquisition, based on an average hourly rate of \$85 per hour for approximately 686 hours.	58,300
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Board of Supervisors
Budget Analyst

<u>Project Contingency</u>	
Contingency to be used to cover any unanticipated project costs.	100,000

Financing Costs

<u>Debt Service Reserve Fund</u>	
Amount determined by interest rate and bids for COPs. (See Comment No. 2.)	886,423

<u>Underwriters Discount</u>	
Estimated fees charged by underwriters, determined on date of pricing. (See Comment No. 2).	159,975

<u>Rating Agency Fees</u>	
Moody's Investor Services	10,000
Standard & Poors	10,000
Fitch Investor Services	9,000

<u>Trustee Fee</u>	
First Trust of California (see Comment No. 7)	7,500

<u>Financial Advisor Fee</u>	
Kitahata & Company (MBE)	
Services based on an average hourly rate of \$150 for approximately 65 hours, capped at \$9,500.	9,500

<u>Financial Advisor Expenses</u>	1,000
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<u>Bond Counsel</u>	
Brown and Wood	45,500
Pamela S. Jue (M/WBE)	24,500

<u>Bond Counsel Expenses</u>	7,500
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<u>City Attorney</u>	
Legal services related to COP issuance based on an average hourly rate of \$125 per hour for 200 hours. (See Comment No. 6.)	25,000

<u>Controller</u>	
Services related to maintenance of COPs, based on an average hourly rate of \$60 per hour for 250 hours, plus flat fee of \$5,000 for printing of CAFR.	20,000

<u>Mayor's Office of Public Finance</u>	
Director of Public Finance	
(333.33 hours @ \$60 per hour)	20,000

Board of Supervisors
Budget Analyst

Printing

Expenses related to taking bids and mailing and distribution expenses for prospective COP buyers. 15,000

Advertising

Expenses for placing a notice of intent to sell the COPs in the *San Francisco Independent* and for advertising in the *Bond Buyer* periodical. 3,500

ALTA Title Policy

15,000

Property & Casualty Insurance

15,000

Contingency

Would be used to pay any additional costs for printing, advertising, etc. 5,602

TOTAL COSTS

\$10,665,000

Comments:

1. Ms. Sarah Hollenbeck of the Mayor's Office of Public Finance advises that the timing of the subject supplemental appropriation request differs from the typical timing for appropriation of bond or COP proceeds, because the project involves the purchase of a building rather than construction on property already owned by the City. Typically, bond or COP proceeds can be appropriated after the closing of the bond sale. However in this case, according to Ms. Hollenbeck, the City must use the C-Med Building, which is not yet owned by the City, as security for the COPs. The City cannot purchase and gain title to the C-Med Building without having the funds available to pay for it. Approval of the proposed supplemental appropriation immediately prior to issuance of the COPs will enable the City to gain title to the C-Med Building on the day (September 30) that the sale of the COPs is closed.

2. Because the subject supplemental appropriation had to be prepared in advance of the bond sale, certain costs of issuance (specifically the Debt Service Reserve Fund and the Underwriter's Discount) had to be estimated. Ms. Moyer will provide the actual costs of these items to the Finance Committee at the meeting of September 17, 1997, following the anticipated pricing of the COPs. Ms. Moyer states that the Mayor's Office expects to submit an Amendment of the Whole, reflecting the actual costs of the above items. However, Ms. Moyer advises that if the pricing is delayed for a few days due to market conditions, final numbers will not

be available. Ms. Moyer states that, if the pricing is delayed, she would provide the final numbers when the subject supplemental appropriation is presented to the full Board of Supervisors.

3. The purchase price of \$8,074,000 includes: (1) the appraised value of the property (\$7,332,000); (2) buyout of seismic improvements previously completed by the current owner of the property, Plant Properties, Inc. (\$692,000); and (3) closing costs (\$50,000).

4. Ms. Claudine Venegas of the Department of Real Estate (DRE) advises that the \$726,000 budget for building improvements includes \$75,000 in renovations to comply with requirements of the Americans with Disabilities Act (ADA) for offices that would be converted from private tenants to public tenants. Ms. Venegas states that another \$588,000 is included to renovate the space currently occupied by private tenants to accommodate the specific needs of SFGH and other DPH offices that will relocate to the C-Med Building. However, the DRE has not yet determined the exact nature of the building improvements or identified the contractors who will carry them out. Therefore, the \$726,000 budgeted for building improvements should be reserved. (See Comment No. 8.)

5. According to Ms. Venegas, the C-MED Building currently has a private tenant of the third floor, the firm of Esherick, Homsey, Dodge and Davis (Esherick), which has a lease that extends until December 31, 1999. Ms. Venegas reports that the DRE and the DPH are in negotiations with Esherick regarding relocation. Relocation costs, totaling \$300,000, were estimated by the DRE in consultation with the San Francisco Redevelopment Agency (SFRA) Relocation Services staff, based on similar relocation of private tenants. However, as of the writing of this report, City officials are still reviewing the relocation cost figures submitted by Esherick. Therefore, the \$300,000 for relocation costs should be reserved until the DRE has identified and verified, through review of two or more bids, the specific relocation costs that should be paid by the City. (See Comment No. 8)

6. The budget reflects City Attorney Project Costs of \$90,000 and City Attorney Finance Costs of \$25,000, for a total of \$115,000 budgeted for the City Attorney. Ms. Monique Moyer of the Mayor's Office of Public Finance advises that City Attorney expenses are expected to total approximately \$75,000. Therefore, \$40,000 (\$115,000 less \$75,000) should be reserved, pending final closing of the project and determination of actual City Attorney costs.

Board of Supervisors
Budget Analyst

7. Ms. Moyer states that the Trustee, First Trust of California, was selected on the basis of a competitive Request for Proposals (RFP). According to Ms. Moyer, the City received six bids. However, four of the six bidders did not comply with the Equal Benefits Ordinance, and a fifth bidder informed the City that they did not wish to participate because of the requirement that the Trustee would be the formal owner of the building during the term of the COPs.

8. The DPH disagrees with the Budget Analyst's recommendations to reserve the \$726,000 budgeted for building improvements and the \$300,000 budgeted for relocation costs. Mr. Villalva states, in a memo shown as Attachment No. 2 to this report, that the DPH expects to be able to relocate private tenants on the second floor of the C-Med Building by December, 1997 (as opposed to the third floor tenant who, as described above, have two years remaining on their lease). Therefore, Mr. Villalva requests that \$50,000 be released to cover estimated relocation costs for such second floor tenants, and \$138,000 be released to cover building improvements to the 4,600 square feet of space that would become available on the second floor for use by the DPH. Attachment No. 3 to this report shows a general breakdown of total estimated building improvement costs, also prepared by the DPH. However, the Budget Analyst believes that such funds should be reserved because (1) relocation costs for the second floor tenants have not yet been ascertained, and could be substantially less than \$50,000; and (2) the DPH has not yet determined which offices will relocate to the C-Med Building, and so cannot determine building improvement costs with precision.

- Recommendations:**
1. Reserve \$726,000 budgeted for building improvements pending the completion of occupancy plans, the selection of contractors and identification of their MBE/WBE status.
 2. Reserve \$300,000 budgeted for relocation costs until the DRE has identified and verified, through review of two or more bids, the specific relocation costs that should be paid by the City.
 3. Reserve \$40,000 budgeted for the City Attorney pending final closing of the project and determination of actual City Attorney costs.
 4. Approve the proposed resolution as amended.

Summary of Proposed Uses for CMED Building

September 10, 1997

<i>Floor</i>	<i>Occupancy</i>	<i>Area</i>	<i>Availability</i>
1st Floor	CMED/CFAS emergency vehicles	1,650 SF	now
	CMED/CFAS staff vehicles	5,600 SF	now
	DPH vehicles	5,750 SF	Jan 98
	CMED/CFAS communications tech shop	240 SF	Jan 98
	DPH storage	350 SF	Oct 97
	SFGH IS equipment	4,330 SF	Jan 98
	Common	1,680 SF	
		<u>19,600 SF</u>	
Mezzanine	CFAS/CMED support rooms	4,600 SF	now
	Common	790 SF	
		<u>5,390 SF</u>	
2nd Floor	CMED/CFAS dispatch unit	3,800 SF	now
	Shared Conference	208 SF	now
	Shared Classroom	740 SF	now
	DPH/CHN programs	12,028 SF	Oct 97
	Common	2,824 SF	
		<u>19,600 SF</u>	
3rd Floor	DPH/CHN programs	18,800 SF	Dec 99*
	Common	800 SF	
		<u>19,600 SF</u>	

* Third floor tenant has 3rd floor lease that runs until December 1999, but has expressed an interest in relocating earlier with financial assistance. City is obligated to pay up to \$300,000. Tenant has asked for \$800,000. Negotiations have re-started recently, and may result in an earlier relocation date during 1998.

City and County of San Francisco

Department of
Public HealthSan Francisco General Hospital
Medical Center

FAX MEMORANDUM

September 12, 1997

TO: Eve Sternberg Fax 252-0461
Budget Analyst of the Board of Supervisors

FROM: Carlos Villalva Fax 206-4515
SFGH Facilities

CC: Monique Moyer Fax 554-6158
Mayor's Budget Office

Monique Zmuda Fax 554-2811
DPH Finance

Claudine Venegas Fax 552-9216
Real Estate

Betsy Dietrich Fax 554-3837
City Attorney

RE: CMED Supplemental Appropriation Draft
95008

I have reviewed the draft memo to the Finance Committee, and would like to offer the following amendments:

Comment 4 You indicate the DRE has not yet determined the exact nature of the improvements in spaces currently leased by private tenants, and you are recommending that the entire \$726,000 be reserved at this time.

While it is true that the third floor tenant may be present in the building for an extended period of time due to the existing lease, this tenant only occupies 19,600 gross square feet. The remaining 4,600 square feet balance of space occupied by other tenants on the second floor is being rented on a month-to-month basis. It is the intention of DPH to give notice to these tenants upon acquisition of the building by the City, and it is my understanding that we have a legal obligation to allow at most 90 days for the firms to vacate the premises.

Office of Architecture and Facility Planning
Building 10, Room 1118
1001 Potrero Ave., San Francisco, CA 94110

In order to effectively occupy this 4,600 square feet, we would like to have contractors ready to go in December 1998. In practice, we would need access to funds for certification of contracts by late October 1997. I would recommend that a proportionate share of the funds be released now, or \$138,000.

These funds would be used to perform work such as re-painting areas, adjustments to the ventilation system, upgrades in electrical and communications services, and minor construction to accommodate the shared use of the second floor by DPH and Fire.

Additionally, I would estimate that about \$70,000 should be released to pay for consultants to design the improvements of the entire building, as well as cover permit costs and DPW overhead fees.

The balance of the funds could be held in reserve until such time as the negotiations with the third floor tenant are finalized and a relocation date confirmed.

Comment 5 In connection with the relocation of the private tenants on the second floor, it is my understanding that some limited relocation benefits may be due as well. I believe the Department of Real Estate is obtaining an estimate for this as well, but this cost previously had not been budgeted. I would estimate that as much as \$50,000 may be required to relocate the tenants on the second floor.

Due to the interest of DPH vacating the second floor space, I would recommend that \$50,000 be released now, as access to these funds will be essential in the timely relocation of the private tenants.

CMED Acquisition Estimated Costs 09/12/87 85008

Construction

Item	Qty.	Units	Unit Cost	Cost
Modular Furnishings	80	EA	3,000	240,000
Partitions/Doors	100	LF	120	12,000
HVAC	20,000	SF	9	180,000
Electrical	20,000	SF	3	60,000
Data	20,000	SF	3	60,000
ADA	1	LS	75,000	75,000

TOTAL \$527,000

Soft Costs

Architectural Fees	5% on const. and furnishing	58,430
Permits	3% construction	11,610
Management	8% on construction	30,880

\$59,000

\$726,000

TOTAL P.02

TOTAL P.02

Item 19 - File 262-97-7

Department: Port of San Francisco (Port)

Item: Resolution approving a Ground Lease Agreement for the lease of real property for purposes of constructing and operating a surface parking lot to serve the Ballpark for the San Francisco Giants to be built at China Basin. The proposed resolution would also adopt findings that the ground lease is consistent with the City's General Plan and Eight Priority Policies and would ratify prior acts.

Location: Northerly portion of Seawall Lot 337, bounded by Mission Rock Street, Third Street and Terry A. Francois, Jr. Boulevard (see Attachment 1 to this report for a site map) .

Purpose of Lease: Surface parking for approximately 2,500 vehicles -

Lessor: Port of San Francisco (Port)

Lessee: China Basin Ballpark Company, (CBBC, an entity established and owned by the owners of the San Francisco Giants for the purpose of developing the Ballpark).

Term of Lease: The formal commencement of the lease will occur on the date parking improvements, to be made by the CBBC, are completed and the Ballpark has been completed and is first open to the public for a baseball game or other event. The expected date for opening of the Ballpark is April, 2000. The lease will terminate on November 15 of the year which is nine years after the formal commencement date of the lease, or November 15, 2009 if the lease commences in April, 2000.

Under the proposed lease terms, the CBBC must exercise an early commencement of the lease by giving the Port 12 months prior written notice, for purposes of constructing parking related improvements on the site. Such prior written notification of an early commencement to the lease must be made by the CBBC no later than July 1, 1998, or the lease will terminate. Additionally, if improvements are not completed for the leased premises by March 31, 2002, the lease will likewise terminate.

**No. of Sq. Ft. and
Rent Per Month:** Approximately 601,000 square feet or 13.8 acres.

**Rent and Annual
Revenue
to the Port:**

For the "early occupation period" (subsequent to the early commencement of the lease for purposes of constructing parking related improvements and before the official commencement, when the parking improvements and Ballpark project will be completed) the monthly base rent will be equal to the rent received by the Port from existing tenants, or approximately \$259,600 annually (the current annual rent for this site, see below). Upon official commencement of the lease, the Monthly Base Rent will equal \$101,554 per month or \$1,218,648 annually (approximately \$0.17 per square foot per month). In addition, the Port will be paid a percentage rent equal to 50 percent of the net operating revenues received by the CBBC in connection with the operation of the parking facility. Net operating revenues is defined as all amounts generated from operations at the premises, less taxes, maintenance, operating expenses including rent paid to the Port, fees paid to a parking operator, and capital improvement expenditures, not including items for which the CBBC will receive a rent credit for hazardous material remediation (see below).

Base rent would be adjusted after the fifth year following official commencement of the lease. The adjustment would be equal to the percentage change in the Consumer Price Index, subject to a minimum increase of 15 percent and a maximum increase of 25 percent every three years.

Description:

On July 28, 1997, the Board of Supervisors approved the Lease Disposition and Development Agreement (DDA), the Ground Lease, and related legislation for the China Basin Ballpark Project. The DDA and Ground Lease agreements were between the Port Commission, acting on behalf of the City, and the China Basin Ballpark Company LLC (CBBC). The Board of Supervisors approved a resolution (File 262-97-1) endorsing the Final Environmental Impact Report (FEIR) and California Environmental Quality Act (CEQA) Findings relating to the China Basin Ballpark Project. The FEIR included a mitigation measure requiring that the CBBC provide surface parking in the area of the Ballpark project for 5,000 vehicles. CBBC proposes to lease Seawall Lot 337 from the Port, which will accommodate approximately 2,500 parking spaces, and additional premises in the vicinity in order to provide a total of 5,000 additional parking spaces.

As previously noted, during the early occupation period of the lease the monthly base rent will be equal to the rent received by the Port from existing tenants at that time, or approximately \$259,600 annually based on the Port's current rental income

BOARD OF SUPERVISORS
BUDGET ANALYST

from the site. This figure is derived from the current tenants. The following table provides a list of all current tenants leasing space from the Port on the Seawall Lot 337 site, the uses of the leased space and the annual rent for each tenant.

Existing Tenants, Uses and Annual Rent Paid to the Port for
Seawall Lot 337

Burlington-Northern Railroad (Warehousing, Storage)	\$ 43,000
United States Postal Service (Vehicle and equipment storage on paved area)	96,000
West Bay Resources, Inc. (Recycling Yard)	90,000
Delancey Street Foundation (Storage)	15,000
Outdoor Systems Advertising (Advertising Sign)	<u>15,600</u>
Total	\$ 259,600

All of the tenants listed above are currently on month-to-month leases with the exception of Burlington-Northern Railroad, whose lease expires in November, 2000. However, the tenant has requested that the Port permit early termination of their lease, which would make the premises available for alternate uses, such as parking leases on month-to-month basis, until early commencement of the proposed Ground Lease with the CBBC. Since the Port expects that a month-to-month lease for parking, instead of the existing Burlington-Northern Railroad lease, would produce greater revenue, the figure of \$259,600 would probably represent the minimum rent to be paid by the CBBC during the CBBC's early occupation of the leased premises.

Hazardous Materials Remediation / Rent Credits - The CBBC will be responsible for investigation and remediation of hazardous materials in connection with the construction of the parking improvements. Attachment 2 to this report provides a description of the Scope of Development for the parking improvements. The Port will have a right of approval over CBBC's hazardous materials investigation and remediation plan. A rent credit will be applied in the amount of up to \$100,000 annually during the term of the lease to reimburse CBBC for their eligible costs of hazardous materials investigation and remediation. Such eligible costs will be specified in the CBBC's hazardous materials investigation and remediation plan and are therefore subject to Port Commission approval.

City Requirements - The lease agreement includes all applicable City requirements including requirements that the CBBC comply with requirements concerning non-discrimination and equal benefits.

Construction of Parking Improvements / Port Commission Approval of Design - Prior to construction, the CBBC must submit design and construction documents to the Port Commission for its approval. The CBBC will be required to demolish, at its expense, all existing improvements to the site in order to construct the parking lot.

Parking Operator, Budget Approval - The Port Commission will have the right of approval over the selection of any parking operator by the CBBC. Additionally, the Port Commission will annually review and approve the CBBC's operating budget for the parking lot.

Program in Diversity - The CBBC has agreed to implement a Program in Diversity for the construction of the parking lot and hiring of employees for operations of the parking lot, similar to the program that will be developed by CBBC for the Ballpark construction project and for Ballpark operations.

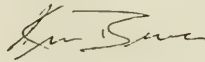
Compliance with Laws/Mitigation Measures - The CBBC will be required to comply with all applicable laws, including Port policies, and pertinent mitigation and improvement measures as specified in the Final Environmental Impact Report as approved by the Port Commission and the Board of Supervisors. With respect to the parking lot, these measures include:

- Design of parking area lighting to minimize off-site glare;
- Implementation of trash collection and litter control measures on and adjacent to the parking lot; and,
- Design and construction of drainage improvements such that no storm water runoff would directly enter China Basin Channel or the Bay.

Comments:

1. According to Port Commission leasing guidelines, the fair market rental value for Port open space, either paved or unpaved, in the South of China Basin area, is between \$.10 and \$.20 per square foot per month. As previously noted, the proposed base rent for Seawall Lot 337 on official commencement of the lease is \$.17 per square foot per month (\$101,554 per month in base rent for approximately 601,000 square feet of space).
2. As previously noted, the Port will also be paid a percentage rent equal to 50 percent of the net operating revenues received by the CBBC in connection with the operation of the parking facility. Such net operating revenues will depend on a number of factors, including parking lot utilization, pricing, cost of operation and expenditures for capital improvements and hazardous materials remediation over and above any rent credits to be received by the CBBC. Mr. Jack Bair, Attorney for the San Francisco Giants, reports that the Giants estimate that such percentage rent to be paid annually to the Port will range from approximately \$100,000 in the third year of the lease to approximately \$250,000 in the final year of the lease.

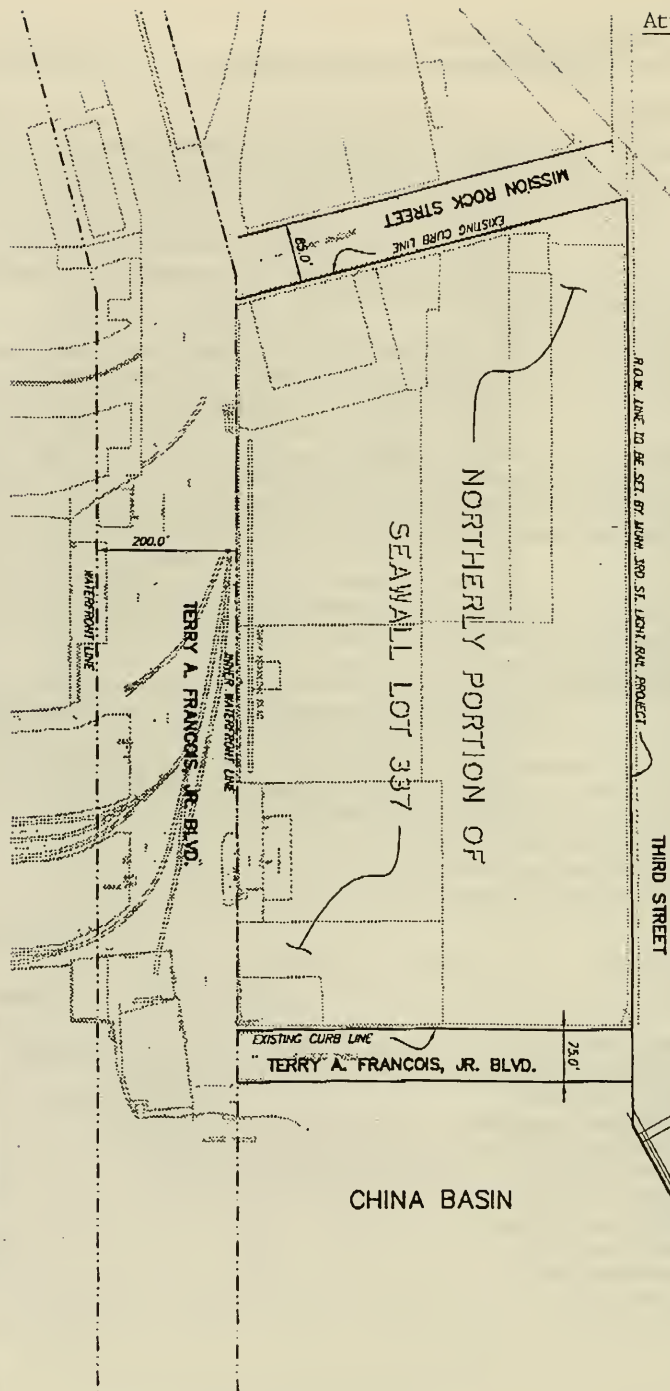
Recommendation: Based on the Board of Supervisors approval of prior legislation related to the proposed China Basin Ballpark Project, including the DDA, the Ground Lease, and the Final Environmental Impact Report that required the addition of 5,000 parking spaces in the vicinity of the China Basin Ballpark Development, approve the proposed resolution.



Harvey M. Rose

cc: Supervisor Leal
President Kaufman
Supervisor Brown
Supervisor Ammiano
Supervisor Bierman
Supervisor Katz
Supervisor Medina
Supervisor Newsom
Supervisor Teng
Supervisor Yaki
Supervisor Yee

Clerk of the Board
Controller
Stephen Kawa
Ted Lakey



GRAPHIC SCALE

(IN FEET)
1 inch = 100 ft.

DESIGNED BY
SAN FRANCISCO PORT COMMISSION
DATE _____
CHIEF ENGINEER

CONTRACT NO.

PORT OF SAN FRANCISCO
SAN FRANCISCO PORT COMMISSION
DEPARTMENT OF ENGINEERING

EXHIBIT A
SEAWALL LOT 337
PARKING LOT LIMITS

BY: DORIS G. C. JUD
DATE: MAY 1997
DRAWN BY: DPA/DOF/SSV
CHECKED BY: DPA/DOF/SSV
DATE: 05 SEP 97
SCALE: 1" = 100' NSI

EXHIBIT B

SCOPE OF DEVELOPMENT

Tenant proposes to develop up to approximately 2,500 parking spaces for the Ballpark on the Premises.

The Premises would be used for Ballpark parking for an interim period as specified in the Lease.

Development of the Premises for Ballpark parking for the Term of the Lease will require some grading and additional paving of the site. Adequate drainage will be engineered to the standards acceptable to the city. An asphalt surface is planned for the parking area. Pedestrian walkways within and possibly adjacent to the parking area will also be paved with and clearly identified with striping and message signs. The site will also be improved with lighting, landscaping and fencing where appropriate.

The degree of lighting, while not determined at this point, will be at a level sufficient to ensure the safety of parking lot users. Steps will also be taken to install equipment that hoods and directs lighting to the surface, thus avoiding glare that may impact adjacent areas. Though the lot is intended for interim use, some landscaping will be employed to soften the visual nature of surface parking.

The Parking Improvements to be made to the Premises will be subject to review and approval of the Port as provided in the Lease (See Section 38).

EXHIBIT B-1

SCOPE OF PERFORMANCE

INTRODUCTION

Several principles apply to an effective understanding of this Schedule of Performance:

(i) all terms used herein have the same meanings as provided in the Lease to which this Schedule of Performance is attached; (ii) parenthetical numbers are references to sections of the Lease, as the dates described herein are not exhaustive of all dates described in the Lease; (iii) all Required Completion Dates provided for in this Schedule of Performance may be extended by applicable Force Majeure provisions or as otherwise provided for in the Lease; (iv) the Target Completion Dates provided herein are for informational purposes only and are not binding in any way on the Port or the Tenant, except as otherwise specifically provided in the Lease; and (v) in the event of an inconsistency between this Schedule of Performance and the Lease, the Lease shall prevail.

<u>Event</u>	<u>Target Completion Date</u>	<u>Required Completion Date</u>
Early commencement notice to Port	July 1, 1998	None
Submission to Port of construction documents for Parking Improvements	January 1, 1999	None
Commencement of early occupancy term	July 1, 1999	None
Completion of Parking Improvements	April 1, 2000	April 1, 2002

MINUTES

FINANCE COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

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REGULAR MEETING

WEDNESDAY, SEPTEMBER 24, 1997 - 1:00 P.M. VETERANS BUILDING
401 VAN NESS AVENUE
ROOM 410

MEMBERS: SUPERVISORS SUSAN LEAL, BARBARA KAUFMAN, AMOS BROWN

CLERK: ROSEMARY LITTLE-HORANZY

Presnt: Supervisors Leal, Kaufman

Absent: Supervisor Brown

Meeting Convened at 1:23 p.m.

1. File 127-97-8. [Taxation, Domestic Partner Owned Business] Ordinance amending Municipal Code, Part III, by adding Section 1002.85 to provide that whenever a spousal unit is treated as a single person, a domestic partnership shall likewise be treated as a single person. (Supervisors Leal, Ammiano, Newsom, Bierman, Kaufman, Teng, Brown, Medina, Katz)

SPEAKERS: Harvey Rose, Budget Analyst; Richard Sullivan, Tax Collector

ACTION: Hearing held. AMENDED. RECOMMENDED AS AMENDED.
Supervisor Leal presented Amendment of the Whole bearing new title ADOPTED. (See title below.)

NEW TITLE: "Ordinance amending Municipal Code, Part III, Article 12-B, by adding Section 1002.8.5 to provide that whenever a spousal unit is treated as a single person, a domestic partnership shall likewise be treated as a single person." (Supervisors Leal, Ammiano, Newsom, Bierman, Kaufman, Teng, Brown, Medina, Katz)

2. File 56-97-4. [Rule on Subject Hearings] Motion amending the Rules of Order of the Board of Supervisors by amending Rule 2.10 in order to increase the effectiveness of hearings to consider subject matter, when legislation is not available to the public. (Supervisors Kaufman, Medina)

SPEAKERS: Harvey Rose, Budget Analyst

ACTION: Hearing held. RECOMMENDED.

3. File 56-97-5. [Rule on Skeletal Charter Amendments] Motion amending the Rules of Order of the Board of Supervisors by amending Rule 2.33.1 in order to increase the effectiveness of consideration of proposed Charter amendments to be submitted to the public. (Supervisors Kaufman, Medina)

SPEAKERS: Supervisor Kaufman, President, Board of Supervisors

ACTION: Hearing held. RECOMMENDED.

4. File 97-97-42. [Grant – Application, Accept/Expend Procedures] Ordinance amending Administrative Code by amending Sections 10.170 through 10.170-3 thereof, authorizing Department Heads to apply for Federal, State or other grants and changing procedures for the acceptance and expenditure of grants. (Supervisors Kaufman, Medina)

SPEAKERS: Supervisor Kaufman, President, Board of Supervisors

ACTION: Hearing held. AMENDED. RECOMMENDED AS AMENDED.
Supervisor Kaufman presented Amendment of the Whole bearing same title ADOPTED.

5. File 97-97-43. [Settlement Authority – Claims/Litigation] Ordinance amending Administrative Code by amending Sections 10.20-9, 10.21, 10.22, 10.22-2, and 10.24 by increasing the allowance of settlement from \$5,000 to \$25,000 of unlitigated claims, litigation, and claims in favor of the City and County. (Supervisors Kaufman, Medina)

SPEAKERS: Harvey Rose, Budget Analyst; Ray King (Retired Deputy City Attorney/Chief of Claims and Investigation, City Attorney's Office)

ACTION: Hearing held. AMENDED. RECOMMENDED AS AMENDED.
Amend title, line 6, after "COUNTY" by adding "; "REQUIRING QUARTERLY REPORTS"; page 1, line 25 after "." by adding "The City Attorney shall submit, on a quarterly basis, a report to the Board of Supervisors. Said report shall list those settlements that are made by the City Attorney's Office without approval from the Board of Supervisors."

6. File 97-97-44. [Employee Claims – Payment Approval] Ordinance amending Administrative Code by amending Section 10.25-8 to require claims for damaged articles by employees of the City and County that are in excess of \$1,000 to be approved by the Board of Supervisors and by repealing Section 10.25-9. (Supervisors Kaufman, Medina)

SPEAKERS: Supervisor Kaufman, President, Board of Supervisors

ACTION: Hearing held. CONSIDERATION CONTINUED TO THE CALL OF THE CHAIR.

7. File 97-97-45. [State Disability Insurance] Ordinance amending Administrative Code by adding Section 16.9-31 authorizing the Human Resources Director to enroll qualifying employee classifications into the State Disability Insurance program without further approval of the Board of Supervisors. (Supervisors Kaufman, Medina)

SPEAKERS: Harvey Rose, Budget Analyst

ACTION: Hearing held. RECOMMENDED.

8. File 97-97-49. [Reg. Regulatory Fee, Temporary Relocation] Ordinance amending Administrative Code by amending Chapter 72, Sections 72.1 through 72.4, to provide that the Department of Public Health will directly pay for the costs of temporarily relocating families with lead poisoned children, further amend Administrative Code by repealing Chapter 73 in its entirety (Regulatory Fee for Lead Hazard Abatement Program), further amending Administrative Code by repealing Section 10.117-116, (Relocation Assistance/Lead Administration Fund). (Supervisor Kaufman)

SPEAKERS: Harvey Rose, Budget Analyst; Supervisor Kaufman, President, Board of Supervisors

ACTION: Hearing held. AMENDED. RECOMMENDED AS AMENDED.
Supervisor Kaufman presented Amendment of the Whole bearing same title ADOPTED. (See title below.)

TITLE: "Ordinance amending Administrative Code by repealing portions of Chapter 72 that provided that the costs of short term relocation for families with lead poisoned children and associated administrative costs be paid for by the fees collected pursuant to administrative costs be paid for by the fees collected pursuant to Administrative Code Chapter 73; further amending Chapter 72 to provide that the Department of Public Health will directly pay for the costs of temporarily relocating families with lead poisoned children. (Supervisor Kaufman)

9. File 97-97-50. [Repeal Fee, Lead Hazard Abatement Program] Ordinance amending Administrative Code by repealing Chapter 73, Sections 73.1 through 73.9 to delete regulatory fee to cover reasonable costs incurred by the Department of Public Health in administering the childhood lead hazard abatement program and the costs of temporarily relocating families with lead poisoned children. (Supervisor Kaufman)

SPEAKERS: Harvey Rose, Budget Analyst; Supervisor Kaufman, President, Board of Supervisors

ACTION: Hearing held. RECOMMENDED.

10. File 97-97-51. [Repeal Fund, Lead Abatement] Ordinance amending Administrative Code by repealing Section 10.117-116 to delete the Relocation Assistance and Lead Administration Fund into which regulatory fees to provide for the costs of relocation assistance and administration incurred in the remediation of lead hazards in residential units occupied by a lead poisoned child could be deposited. (Supervisor Kaufman)

SPEAKERS: Harvey Rose, Budget Analyst; Supervisor Kaufman, President, Board of Supervisors

ACTION: Hearing held. RECOMMENDED.

11. File 127-97-1.1. [Emergency Response Fee Increase] Ordinance amending Article 10A, Part III of the San Francisco Municipal Code by amending Sections 751, 752, 753, 755, 756, to increase the amount of the fee, effective December 1, 1997, and to eliminate the estimate of project costs, and adding Section 752.1 to make additional findings and deleting Section 758 which provided for payment of conversion costs to service suppliers required to collect the emergency response fee. (Mayor)

SPEAKERS: Harvey Rose, Budget Analyst; Monique Moyer, Director, Public Finances, Mayor's Office; Mike Marting, Project Manager, Mayor's Office of E-911; Ed Harrington, Controller

ACTION: Hearing held. CONSIDERATION CONTINUED TO THE OCTOBER 1, 1997 MEETING.

12. File 25-97-14. [Prop J Contract, Airport Information Booth Program] Resolution approving the Controller's certification that airport information booth services at San Francisco International Airport can be practically performed by private contractor at a lower cost than if work were performed by City employees at presently budgeted levels. (Airport)

SPEAKERS: Harvey Rose, Budget Analyst

ACTION: Hearing held. RECOMMENDED.

13. File 100-97-1.1. [Reserved Funds, Administrative Services] Hearing to consider release of reserved funds, Administrative Services, in the amount of \$120,000 for the San Francisco Museum project. (Administrative Services)

SPEAKERS: Harvey Rose, Budget Analyst; Steve Nelson, Administrative Services Office

ACTION: Hearing held. CONSIDERATION CONTINUED TO THE CALL OF THE CHAIR.

14. File 146-97-20. [Federal Grant, Department of Health/Human Services] Resolution authorizing the Department of Public Health, Public Health Division, Emergency Medical Services Agency (EMSA), to retroactively apply for and accept and to expend a grant in the amount of \$350,000 from the Department of Health and Human Services to provide for the development of a Metropolitan Medical Strike Team to respond to the potential use of nuclear, biological, or chemical weapons by terrorists; waiving indirect costs and providing for ratification of action previously taken. (Department of Public Health)

SPEAKERS: Harvey Rose, Budget Analyst; Dr. John Brown, Department of Public Health, Emergency Medical Services Agency (EMSA)

ACTION: Hearing held. RECOMMENDED.

15. File 101-95-71.3. [I served Funds, Department of Public Works] Hearing to consider release of reserved funds, Department of Public Works (1996A City Hall Improvement Bond Fund Proceeds), in the amount of \$36,173,451 to fund construction of skylights, ornamental metals, windows, roofing, dome restoration, utility systems in tenant spaces and miscellaneous tenant improvements. (Department of Public Works)

SPEAKERS: Harvey Rose, Budget Analyst; Anthony Irons, Project Manager,
Department of Public Works

ACTION: Hearing held. RELEASED OF \$36,173,451 APPROVED. FILED.

NOTE: Clerk directed to calendar hearing for December 10, 1997 meeting (per Budget Analyst recommendation). (Hearing to provide the Board of Supervisors with the estimated additional costs if any, to complete the City Hall Non-Seismic Improvement Project, the funding sources and the amounts of additional funding required to complete the project. (Supervisor Leal)

ACTION:

LEGISLATION UNDER THE 30-DAY RULE

File No. 97-97-54. Real Estate Fraud Prosecution Fee, Ordinance, (Supervisor Brown), 30 day Rule expires 9/24/97.

File No. 56-97-6. Legislative Analysts Duties, Rules of Order, (Clerk of the Board), 30 day Rule expires 10/15/97.

File No. 97-97-56.1. Affordable Housing Bond Program Regulations, Resolution, (Supervisor Brown), 30 day Rule expires 10/15/97.

Watch future calendars for scheduling of these matters.

VOTE ON ALL ITEMS WAS 2 - 0, SUPERVISOR BROWN ABSENT FOR ENTIRE MEETING.

Meeting Adjourned at 2:34 p.m.

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OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

September 19, 1997

TO: Finance Committee

FROM: Budget Analyst *Refer to agenda for meeting of*

SUBJECT: September 24, 1997 Finance Committee Meeting

Item 1 - File 127-97-8

Department: Treasurer/Tax Collector
City Attorney's Office

Item: Ordinance to add Section 1002.8.5 to Part III, Article 12-B of the Municipal Code to provide that whenever a married couple is treated as a single person, a domestic partnership shall likewise be treated as a single person.

Description: The proposed ordinance would amend Article 12-B of Part III of the Municipal Code, the Business Tax Ordinance, by adding an entirely new section, Section 1002.8.5. This new section ensures that whenever a married couple is treated as a single person under the Business Tax Ordinance, a domestic partnership may also be treated as a single person. As stated in the proposed ordinance, it has been the policy of the City to treat domestic partnerships on an equivalent basis to marriage relationships. However, the existing Business Tax Ordinance (Municipal Code Article 12-B, Sections 1001 to 1027) is inconsistent with that policy.

Section 1003 of Article 12-B of the Municipal Code provides that a Business Tax Registration Certificate must be obtained annually by every person engaged in business within the City. According to Mr. Richard Sullivan, Tax

Collector, multiple business enterprises can be registered with the City under a single Business Tax Registration Certificate, even if they are different types of businesses, provided that all of the various business enterprises share the same ownership. Thus, Mr. Sullivan states that an individual may own several different types of businesses — such as a restaurant, an apartment house, and a linen supply business — under a single sole proprietorship that is registered with the City.

Under current City law, a married individual who owns a business as a sole proprietorship (without any other business partners) is not required to obtain a second Business Registration Certificate for another business he or she owns jointly with his or her spouse. For example, according to Mr. Sullivan, a married woman who owns a business as a sole proprietor (not with her spouse) — for which she has obtained a Business Registration Certificate — would not be required to obtain a second Business Tax Registration Certificate if she also owned a different business with her husband. A married couple is not required to obtain a second Business Registration Certificate in this situation provided that the same social security number is used when reporting ownership of the business to the Tax Collector's Office. However, according to Mr. Sullivan, individuals who own one or more business as a sole proprietor, and who also own a business with their domestic partner, are currently required to obtain a second Business Tax Registration Certificate. The proposed ordinance would therefore relieve domestic partners from obtaining multiple Business Tax Registration Certificates in this type of situation.

Comments:

1. According to Mr. Claude Kolm of the City Attorney's Office, the proposed ordinance would allow domestic partners to register a business as having "single ownership," as married couples are able to do.
2. Mr. Patrick Sha of the Tax Collector's Office advises that the annual cost for a Business Tax Registration Certificate varies from \$25 to \$500, according to the estimated tax liability of the business, but that the vast majority cost \$150.
3. During Fiscal Year 1997-98, the Business Registration Certificate Tax is estimated to generate \$9,531,000 in revenues for the City. Mr. Sha advises that he is unable to estimate the anticipated revenue loss to the City that would result if this legislation is approved because the Tax Collector's Office does not maintain records regarding the marital status or domestic partnership status of individuals

Memo to Finance Committee
September 24, 1997 Finance Committee Meeting

who own businesses as a sole proprietor. However, he believes that approval of the proposed legislation would not result in significant revenue losses to the City.

4. Mr. Sullivan advises that he does not foresee any significant administrative costs associated with the proposed ordinance.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Item 2 - File 56-97-4

- Item:** Motion amending the Rules of Order of the Board of Supervisors by amending Rule 2.10 in order to increase the effectiveness of hearings to consider subject matter, when legislation pertaining to such subject matter is not available to the public.
- Description:** The proposed motion would amend Board of Supervisors Rule 2.10, which currently states that a Supervisor may introduce a request for a committee hearing on a subject matter without having legislation. The proposed motion would amend Rule 2.10 to state that the Board of Supervisors prefers that legislation be introduced, rather than holding hearings without proposed legislation, so that the public will be aware of possible action that may be taken on an issue. The motion further states that, when a Supervisor does not yet have sufficient information either to introduce proposed legislation or to request that the City Attorney draft proposed legislation, the sponsor must submit a description of the purpose of the hearing, including a statement of what the sponsor wishes to accomplish. The subject statement would be placed in the file concerning the hearing.
- Recommendation:** The proposed motion is a policy decision for the Board of Supervisors.

Item 3 - File 56-97-5

- Item:** Motion amending the Rules of Order of the Board of Supervisors by amending Rule 2.44.1 in order to increase the effectiveness of consideration of proposed Charter Amendments to be submitted to the public.
- Description:** The proposed motion would amend Board of Supervisors Rule 2.44.1, which currently requires that a proposed Charter Amendment be introduced by a Board member at a regular Board meeting held not less than 168 days prior to the election at which it is to be submitted to the voters. The proposed amendment would retain this requirement, but would also add the requirement that the complete text, and not a "skeletal" version of the Charter Amendment be submitted to the Board of Supervisors at least 168 days prior to the election at which it is submitted to the voters.
- Comments:** 1. Mr. Ted Lakey of the City Attorney's Office advises that the proposed motion would clarify the current practice of the Board of Supervisors. According to Mr. Lakey, skeletal versions of proposed Charter Amendments have not been utilized during 1997.
- Recommendation:** Approval of the proposed motion is a policy decision for the Board of Supervisors.

Item 4 - File 97-97-42

Item: Ordinance amending Sections 10.170 through 10.170-3 of Article XV, Chapter 10, Part I of the Administrative Code, authorizing Department Heads to apply for Federal, State or other grants without prior Board of Supervisors approval, and changing procedures for the acceptance and expenditure of grants.

Description: Approval of Grant Applications

Section 10.170 of Article XV, Chapter 10 of the Administrative Code requires departments to obtain approval of the Board of Supervisors prior to submitting a grant application to a potential funding source. Departments are required to submit a Grant Application Information Form and a Disability Access Checklist to the Board of Supervisors with the request for approval of a grant application. In addition, departments are required to notify the Capital Improvements Advisory Committee (CIAC) if the subject grant application involves funding for capital projects.

Under the proposed ordinance, departments would no longer be required to obtain Board of Supervisors approval for grant applications. The only approval required prior to submission of a grant application to a potential funding source would be that of the relevant department head.

Approval of Acceptance and Expenditure of Grants

The proposed ordinance would still require Board of Supervisors approval, either in the annual budget (see Recurring Grants, below) or through separate legislation, of the acceptance and expenditure of grant funds. Submission of the Grant Application Information Form and Disability Access Checklist would be required when a department requests such Board of Supervisors approval. The proposed ordinance would require submittal of certain additional (i.e. not currently required) information by the Department to the Board of Supervisors with requests for approval of acceptance and expenditure of a grant, including a copy of the grant application, a letter of intent to award or an acknowledgement of the award by the granting agency, and a budget for expenditure of the grant funds, showing the classification, duration and number of any positions to be funded by the subject grant.

Recurring Grants

The proposed ordinance would permit a department to include recurring grants in the annual budget submitted by the department, rather than obtaining separate Board of Supervisors approval for acceptance and expenditure of the recurring grant. Departments would be required to include grant budget details, explanations and substantiations of the grant funding with the departmental budget submission. The proposed ordinance states that, if the department is unable to include recurring grant funds in its budget submittal, the normal procedure for Board of Supervisors approval of grant acceptance and expenditure, which requires separate approval by the Board of Supervisors for each grant, must be followed for such recurring grants. This proposed provision regarding recurring grants reflects the policy stated in Section 11.1 of the Administrative Provisions of the FY 1997-98 Annual Appropriation Ordinance.

Recommendation: Approval of the proposed ordinance is a policy decision for the Board of Supervisors.

Item 5 - File 97-97-43

Department: City Attorney's Office

Item: Ordinance amending Article II of Part I, Chapter 10 of the San Francisco Administrative Code by amending sections 10.20-9, 10.21, 10.22, 10.22-2 and 10.24 to increase the allowance of settlement from \$5,000 to \$25,000 of unlitigated claims, litigation, and claims in favor of the City, without requiring approval of the Board of Supervisors.

Description: Chapter 10 of the City's Administrative Code pertains to the settlement of claims for and against the City. This chapter authorizes the City Attorney to settle unlitigated claims, litigation, and claims in favor of the City without approval from the Board of Supervisors provided that the head of the department recommends the settlement, and that the amount of the settlement does not exceed \$5,000. The proposed ordinance would amend Chapter 10 of the Administrative Code to increase the allowance of such settlements from \$5,000 to \$25,000, without requiring approval of the Board of Supervisors.

Specifically, the proposed ordinance would amend the following sections of Chapter 10 of the Administrative Code:

- Section 10.20-9, which pertains to the adjustment or settlement of claims, judgments or demands not in excess of \$5,000, prior to their presentment as claims;
- Section 10.21, which pertains to the settlement of unlitigated claims not in excess of \$5,000;
- Section 10.22, which pertains to the settlement of unlitigated claims exceeding \$5,000;
- Section 10.22-2, which pertains to the settlement of litigated claims not in excess of \$5,000; and
- Section 10.24, which pertains to the settlement of claims in favor of the City, including unlitigated claims of any dollar amount, and litigated claims not in excess of \$5,000.

Further descriptions of these sections of Chapter 10 of the Administrative Code and amendments contained in the proposed ordinance are discussed below.

Claims Against the City

Section 10.20-9 presently authorizes the City Attorney to adjust, pay and settle claims, judgments, or demands before they are filed as official claims — without seeking approval from the Board of Supervisors — where the amount of the adjustment or settlement does not exceed \$5,000. The proposed ordinance would amend Section 10.20-9 to increase the allowance of settlement from \$5,000 to \$25,000, without requiring approval of the Board of Supervisors.

Section 10.21 presently provides for the allowance and settlement of unlitigated claims against the City — without seeking approval from the Board of Supervisors — with the written recommendation of the head of the department against which the claim is being made, and with the written approval of the City Attorney, where the amount of the settlement does not exceed \$5,000. The proposed ordinance would amend Section 10.21 to increase the allowance of settlement from \$5,000 to \$25,000, without requiring approval of the Board of Supervisors.

Section 10.21 also presently requires the City Attorney's Office to submit a confidential attorney-client report to the Board of Supervisors, on a quarterly basis, listing unlitigated claims settled for an amount not in excess of \$5,000 during that quarter. Those quarterly reports specify the amount demanded, the amount paid, the City Department involved, and describe the nature of the incident giving rise to the claim. The proposed ordinance would amend Section 10.21 so that the City Attorney's Office would be required to submit such quarterly reports to the Board of Supervisors listing settlements of unlitigated claims of up to \$25,000 instead of up to \$5,000.

Section 10.22 presently provides that unlitigated claims against the City may be settled on the written recommendation of the head of the department against which the claim is made, with the written approval of the City Attorney, for an amount in excess of \$5,000, only with the approval of the Board of Supervisors by resolution. The proposed ordinance would amend Section 10.22 to increase the

allowance of settlement from \$5,000 to \$25,000, without requiring approval of the Board of Supervisors.

Section 10.22-2 presently authorizes the settlement of litigated claims — without seeking approval from the Board of Supervisors — with the approval of the City Attorney, where the amount of the settlement does not exceed \$5,000, provided the settlement has been approved by the head of the department that has jurisdiction over the matter. The proposed ordinance would amend Section 10.22-2 to increase the allowance of settlement from \$5,000 to \$25,000, without requiring approval of the Board of Supervisors.

Section 10.22-2 also presently requires the City Attorney's Office to submit a report to each City department and Commission and to the Board of Supervisors, on a monthly basis, listing litigation settled for an amount not in excess of \$5,000 during that month. Those monthly reports specify the amount demanded, the amount paid, the City Department involved, and describe the nature of the incident giving rise to the litigation. The proposed ordinance would amend Section 10.22-2 so that the City Attorney's Office would be required to submit such monthly reports to each City department and Commission and to the Board of Supervisors listing litigated settlements of up to \$25,000 instead of up to \$5,000.

Claims in Favor of the City

Section 10.24(a) presently provides for the allowance and settlement of unlitigated claims in favor of the City — without seeking approval from the Board of Supervisors — with written recommendations from the head of the department in favor of which the claim is being made, and the City Attorney, where the amount of the settlement does not exceed \$5,000. The proposed ordinance would amend Section 10.24(a) to increase the allowance of such settlements from \$5,000 to \$25,000, without requiring approval of the Board of Supervisors.

BOARD OF SUPERVISORS
BUDGET ANALYST

Section 10.24(b) presently provides that unlitigated claims in favor of the City in which the amount of the claim exceeds \$5,000 may be settled only upon written recommendation of the head of the department in favor of which the claim is made, the City Attorney, and the approval of the Board of Supervisors by resolution. The proposed ordinance would amend Section 10.24(b) to increase the allowance of settlements from \$5,000 to \$25,000 so that settlements of up to \$25,000 instead of up to \$5,000 would not require Board of Supervisors approval but settlements exceeding \$25,000 would require approval of the Board of Supervisors.

Section 10.24(c) presently provides for the allowance and settlement of litigated claims in favor of the City by the City Attorney, upon written recommendation from the head of the department in favor of which the claim is being made, subject to the written approval of the Mayor but without requiring approval of the Board of Supervisors, where the amount of the settlement does not exceed \$5,000. The proposed ordinance would amend Section 10.24(c) to increase the allowance of settlements from \$5,000 to \$25,000, without requiring approval of the Board of Supervisors.

Comments:

1. Mr. Delventhal, Deputy City Attorney, advises that presently, the Board of Supervisors must approve all settlements for and against the City that are in excess of \$5,000, the bulk of which are cases pertaining to relatively minor instances of personal injury or negligence. Mr. Delventhal further advises that the proposed ordinance, which would provide for the approval of settlements of up to \$25,000, instead of up to \$5,000, would enable the Board of Supervisors to focus on settlements with greater fiscal and policy implications.

2. As discussed above, Sections 10.21 and 10.22-2 of Chapter 10 of the City's Administrative Code presently require the City Attorney's Office to submit after-the-fact reports to the Board of Supervisors listing unlitigated and litigated settlements that are made by the City Attorney's Office without approval from the Board of Supervisors. However, Section 10.20-9, which pertains to the adjustment or settlement of claims,

judgments or demands prior to their presentment as official claims, does not presently require the City Attorney's Office to submit after-the-fact reports to the Board of Supervisors listing such settlements made prior to their presentment as claims that are made by the City Attorney's Office without approval from the Board of Supervisors. Mr. Tim Armistead, Chief of Claims and Investigations for the City Attorney's Office, advises that the City Attorney's Office has never exercised the authority granted under Section 10.20-9 to pay claims prior to their presentment as official claims during his tenure with the City Attorney's Office. Nevertheless, Mr. Armistead concurs with the Budget Analyst that the proposed ordinance should be amended to include a provision requiring the City Attorney's Office to submit after-the-fact quarterly reports to the Board of Supervisors listing settlements made prior to their presentment as official claims that are made by the City Attorney's Office without approval from Board of Supervisors under Section 10.20-9 of Chapter 10 of the Administrative Code.

3. Mr. Armistead advises that payment for claims made by the City Attorney's Office, where approval of the Board of Supervisors is not required, is made from the Cash Revolving Fund of \$100,000 as established under Section 10.136-1 of Chapter 10 of the City's Administrative Code.

Recommendations:

1. In accordance with Comment 2 above, amend the proposed ordinance to require the City Attorney's Office to submit quarterly reports to the Board of Supervisors listing those settlements that are made by the City Attorney's Office without approval from the Board of Supervisors under Section 10.20-9 of Chapter 10 of the Administrative Code.

2. Approval of the proposed ordinance, as amended, is a policy matter for the Board of Supervisors.

Item 6 - File 97-97-44

Item: Ordinance amending Section 10.25-5, Chapter 10 of Part I of the San Francisco Administrative Code to modify the standard for approving claims for damage or theft of necessary items of personal property belonging to City employees; by amending Section 10.25-8 to provide that such claims of \$1,000 or less shall be approved by the department head or, for claims in excess of \$1,000, by the department head, the Controller and the Board of Supervisors; and by repealing Section 10.25-9, regarding claims for stolen items of property.

Description: The Office of the Sponsor advises that an Amendment of the Whole will be submitted. This report is based on the legislation submitted as an Amendment of the Whole.

Currently, Sections 10.25-8 and 10.25-9 of the Administrative Code require that all claims for damaged or stolen articles by non-uniform City employees be reimbursed, or partially reimbursed, only upon approval by a 3/4 vote of the Board of Supervisors, following certification as to the availability of funds by the Controller. This requirement applies to all such claims, regardless of the amount of the claim. The proposed ordinance would amend Section 10.25-8 and repeal Section 10.25-9 to (1) combine the substance of Section 10.25-9 into Section 10.25-8; (2) provide that claims for \$1,000 or less be handled like such claims made by uniform employees, which are subject only to verification and approval by the department head; (3) provide that claims for more than \$1,000 be verified by the Controller and approved by the Board of Supervisors; (4) change the requirement that such claims be approved by a 3/4 vote of the Board of Supervisors to a requirement that such claims be approved by a majority vote of the Board of Supervisors.

In other words, if the proposed ordinance is approved, claims for reimbursement of damaged or lost articles valued at \$1,000 or less by City employees would no longer require Board of Supervisors approval. Instead, such claims for \$1,000 or less would be paid when verified by the department head, if the Controller has certified as to the availability of funds to pay the claims. Claims for reimbursement of damaged or stolen articles valued over \$1,000 by City employees would require the approval of a majority of the Board of Supervisors.

Regarding uniformed City employees, the proposed ordinance would amend Section 10.25-5 of the Administrative Code to

require that the department head apply the same criteria for verification of a claim for damaged or lost articles by a uniformed employee as is currently employed by the Board of Supervisors for such claims by non-uniformed employees, namely that the damage or loss (1) occurred in the line of duty; (2) occurred without fault of the officer or employee; (3) was occasioned by unusual circumstances or the occurrence of an extraordinary event and (4) that the amount certified for payment is fair and reasonable. Section 10.25-5 currently states only that the department head must certify that the damage occurred in the line of duty and that the amount certified for payment is fair and reasonable.

Recommendation: Approval of the proposed ordinance is a policy decision for the Board of Supervisors.

Item 7 - File 97-97-45

- Item:** Ordinance authorizing the Human Resources Director to enroll qualifying employee classifications into the State Disability Insurance Program.
- Description:** The proposed ordinance would eliminate the requirement for Board of Supervisors approval to enroll qualifying employee classifications into the State Disability Insurance Program (SDI), and instead would place the authority to implement such enrollments with the Human Resources Director.
- SDI pays disability benefits to employees who suffer a non-industrial injury or illness. The cost of the SDI coverage is currently 0.5 percent of the first \$31,767 of gross salary for each employee, with a maximum of \$158.84 annually. This cost is paid by the employee through normal payroll deductions, at no cost to the City. While SDI coverage is mandatory for all employees with bargaining units enrolled in the SDI program, some of the City's labor contracts do not include a provision providing for the automatic inclusion of their members in SDI. In such cases, the majority of employees in a given classification may petition the Human Resources Department (HRD) requesting SDI coverage. Currently, such petitions are subject to Board of Supervisors approval. Under the proposed ordinance, the Director of the HRD would be authorized to enroll qualifying employee classifications in the SDI program.
- Comment:**
1. Ms. Andrea Gourdine, Director of the HRD, states that, if the proposed ordinance is approved, the HRD would follow the same procedure that is currently followed by the Board of Supervisors, whereby qualifying classifications would be enrolled in the SDI Program whenever a majority of the employees in a qualifying classification petition the HRD for such enrollment.
 2. The addition of employees to the SDI program does not involve significant cost to the City, as the Controller's payroll/personnel system is programmed to include this deduction.
- Recommendation:** Approval of the proposed ordinance is a policy decision for the Board of Supervisors.

Items 8, 9 and 10 - Files 97-97-49, 97-97-50, and 97-97-51

Department: Department of Public Health (DPH)

Items: File 97-97-49: Ordinance amending the Administrative Code by repealing portions of Chapter 72, "Relocation Assistance for Lead Hazard Remediation," which provides that the costs of short term (30 days or less) relocation for families with lead-poisoned children, and associated administrative costs, be paid for by the fees collected pursuant to Administrative Code Chapter 73; further amending Chapter 72 to provide that the Department of Public Health will directly pay for the costs of temporarily relocating the families with lead poisoned children.

File 97-97-50: Ordinance amending the Administrative Code by repealing Chapter 73, which established a regulatory fee to cover the reasonable costs incurred by the Department of Public Health in administering the Childhood Lead Hazard Abatement Program and the costs of temporarily relocating families with lead poisoned children, as provided for in Chapter 72 of the Administrative Code.

File 97-97-51: Ordinance amending the Administrative Code by repealing Administrative Code Section 10.117-116, "Relocation Assistance/Lead Administration Fund," into which regulatory fees (provided for in Chapter 73 of the Administrative Code) to cover the reasonable costs incurred by the Department of Public Health in administering the Childhood Lead Hazard Abatement Program and the costs of temporarily relocating families with lead poisoned children, could be deposited.

Description: The proposed ordinances pertain to short-term (30 days or less) relocation assistance for tenants and owner-occupants forced to relocate due to an Order to Abate a lead hazard which is detected through the presence of a lead-poisoned child.

The Board of Supervisors enacted legislation in October of 1996 to (1) establish a relocation assistance program to fund costs associated with the short-term, moderate-term, and permanent¹ relocation of residents vacated from residential

¹ A short-term relocation is defined as a period of displacement of up to 30 days. A moderate-term relocation is defined as a period of displacement of between one month and three months. A permanent relocation is defined as a period of displacement in excess of three months.

units deemed unsafe due to the presence of lead hazards or due to the unpermitted use of a residence discovered as a result of a lead hazard inspection, and to fund associated administrative costs (Ordinance 400-96, Chapter 72 of the Administrative Code: Relocation Assistance for Lead Hazard; (2) establish a regulatory fee of up to \$5.00 to fund the foregoing short-term relocations only (Ordinance 399-96, Chapter 73 of the Administrative Code: Regulatory Fee For Lead Hazard Abatement Program); and (3) establish a special fund to serve as the repository for monies paid to the Tax Collector pursuant to Chapter 73 of the Administrative Code (Ordinance 397-96, Section 10.117-116 of the Administrative Code: Relocation Assistance/Lead Administration Fund).

As stated in Chapter 72 of the Administrative Code, the Childhood Lead Hazard Abatement Program was established to eradicate lead hazards that are present throughout significant portions of the housing stock. An investigation under the Program is triggered by the presence of elevated lead levels in a child. As stated in Chapter 72, the Program was developed in order to insure that lead abatement enforcement efforts reach the greatest possible number of households with lead-poisoned children by providing incentives and protections for the occupants of housing with lead hazards who, by reporting such lead hazards, risk the temporary or permanent loss of their affordable housing.

With respect to short-term relocations, Chapter 72 provides that families which include a child with lead poisoning, and which are tenants or owner-occupants of a dwelling which has been the subject of an Order to Abate a lead hazard, are eligible for relocation payments of \$45 per person, per day, for up to a maximum of 30 days. These short-term relocations are normally caused by the presence of lead in paint, primarily in dwelling units constructed prior to 1978. In contrast, according to Ms. Ilene Dick of the City Attorney's Office, moderate-term and permanent relocations typically involve lead hazards in illegal dwelling units and normally require extensive rehabilitative construction. Under Chapter 72, the costs of tenant relocations for moderate-term and permanent relocations are to be borne by the landlord or the owner-occupant.

In order to obtain a source of funding to provide relocation assistance for short-term relocations, Chapter 73 of the Administrative Code imposed an annual fee of between \$1.00 and \$5.00 per dwelling unit on all residential units within

the City for which a "Job Card²" was issued on or before January 1, 1978. For purposes of Chapter 73, "Residential Units" are "dwelling units" and "guest rooms" as defined in Section 401 of the San Francisco Housing Code³. Ms. Karen Cohn of the DPH has stated that there are approximately 224,000 residential units which would be subject to the annual fee.

Under Chapter 73, each "guest room" is counted as one-half of a residential unit for purposes of calculating the regulatory fee, and each such "guest room" is to be charged one-half of the fee. Since Chapter 73 limits the annual fee to \$1.00 for the first year of implementation, the expected revenue from the regulatory fee was a sum less than \$224,000, because an undetermined number of the approximately 224,000 "residential units" were "guest rooms" which were only to be charged one-half of the fee. As specified in Chapter 73, no more than \$0.50 of each \$1.00 fee for the first year of collection was to be allocated to the Relocation Assistance Fund⁴. The remaining \$.50 was to be allocated to the Department of Public Health for costs of administering the Childhood Lead Hazard Abatement Program.

The intent of the proposed legislation is to eliminate the annual fee of up to \$5.00 imposed by Chapter 73 of the Administrative Code and to instead finance that same assistance for the short-term relocation of families with a child, who are required to relocate because of lead hazard remediation, with General Fund monies. Accordingly, the proposed legislation would effect the following:

² A "job card," formally known as an "Inspection Record Card," is issued by the Department of Building Inspection (DBI) at the time of building permit issuance. The card must be posted in a conspicuous, readily accessible location to allow inspectors to make necessary entries, and it must remain on the job site until a final inspection of all work stated in the building permit has been completed.

³ A "dwelling unit" is defined as any building which contains living facilities, including provisions for sleeping, eating, cooking and sanitation as required by the Housing Code, for not more than one family. A "guest room" is a room occupied or designed for occupancy by one or more guests. Every 100 square feet of superficial floor area (the net floor area within enclosing walls in which the ceiling height is not less than seven feet six inches, excluding build-in equipment, or fixtures which are not readily removable) in a dormitory is a guest room.

⁴ Under the existing legislation, the total fee may not exceed \$1.00 per residential unit for the first year of operation. Thereafter, the Department of Public Health has the discretion, without approval of the Board of Supervisors, to adjust the amount of monies to be allocated to the Relocation Assistance Fund, subject to the purposes of the Childhood Lead Hazard Abatement Program, up to a limit of \$5.00 per residential unit.

- Provide that the relocation assistance to families with children displaced for up to 30 days as a result of the Lead Hazard Abatement Program be provided by General Fund monies appropriated to DPH, rather than by an annual regulatory fee of up to \$5.00 (Item 11, File 97-97-49);
- Repeal the annual regulatory fee of up to \$5.00 for the Lead Hazard Abatement Program by repealing Chapter 73 of the Administrative Code in its entirety (Item 12, File 97-97-50);
- Eliminate the Relocation Assistance/Lead Administration Fund for receiving the forgoing regulatory fee by repealing Administrative Code Section 10.117-116 (Item 13, File 97-97-51).

Comments:

1. As previously stated, the subject legislation would identify DPH as the funding source for paying the costs of relocating families with lead-poisoned children who are forced to relocate for periods of 30 days or less because of an Order to Abate⁵ an existing lead hazard. Provisions for funding moderate (one to three months) and permanent relocations are to be borne by the landlord, are addressed separately in Chapter 72 of the Administrative Code, and are not the subject of this amending legislation.

2. Ms. Cohn has stated that the fees were to commence with the City's collection of property tax bills for FY1997-98. However, according to Ms. Cohn, no such fees have been collected as a result of the regulatory fee, and no such fees will be collected.

3. Ms. Anne Kronenberg of the DPH has provided the Budget Analyst with the revised FY 1997-98 budget in the amount of \$116,442 for relocation assistance and administrative costs (see Attachment). As proposed, \$67,500 of the \$116,442 would be used to relocate an estimated 10 families, of five members each, for 30 days each, during FY 1997-98. The remaining \$48,942 would fund the costs of a Health Program Coordinator III. The Department of Public Health intends to absorb those costs within its existing FY 1997-98 budget.

Recommendation: Approval of the proposed ordinances are policy matters for the Board of Supervisors.

⁵ For purposes of Chapter 72, an Order to Abate is an order to a landlord or owner-occupant issued by DPH or DBI subsequent to a lead hazard inspection which finds that there exists a lead hazard in a residential unit occupied by a child requiring corrective action, or a failure to comply with the San Francisco Housing, Building, Plumbing, Electrical, or Mechanical Codes due to an unpermitted residential use and occupancy.

M E M O R A N D U M

DATE: August 29, 1997
TO: Stan Jones, Budget Analyst
FROM: Anne Kronenberg
Department of Public Health
RE: Requested detail for lead fee relocation budget

In response to Supervisor Kaufman's pending legislation canceling the fall property tax fee assessment for Lead Hazard Abatement Relocation/Administration, the Department of Public Health revised its FY97-98 relocation benefits budget.

The Childhood Lead Prevention Program (CLLP) would like to begin implementing the program of short-term relocation of families with lead-poisoned children in October. CLLP's FY 97-98 goal is to relocate 10 case families. The attached budget estimates a \$67,500 expense for relocation subsidies when remediation of the identified lead hazards, or the immediate severity of the hazards, warrant short-term relocation.

I. Anticipated Scope of Work

For short term relocations (up to 30 days), relocation assistance of \$35 per person per day is provided, plus \$10 per person per day for food, transportation and other relocation expenses. For a typical five-person case family, 30 day relocation would cost \$6750. The \$67,500 budget could serve to relocate 10 families based on this estimate.

At this time, we do not have a track record of how long a typical relocation is needed, but 14-30 days is a realistic duration. We have no way of anticipating how many families would need to be relocated in a fiscal year period, in comparison to approximately 25-30 case addresses per year where environmental investigations identify lead hazards needing remediation.

II. Staffing Requirements

The Health Program Coordinator III (HPC) will have primary responsibility for development and implementation of the lead relocation program. In addition this position will be responsible for implementation and evaluation of the remaining new 1996 Lead legislation mandates. This includes administering the inspection, testing, sampling and

related administrative tasks of Article 26 of the SF Health Code, plus related administrative costs pursuant to Section 10.194 of the Administrative Code.

III. Budget submittal

See attached spreadsheet.

IV. Background on case management and relocation services:

1. How does the Public Health Department currently respond to a report of a child with lead poisoning?

- In all households where a child has been diagnosed with lead poisoning, the Public Health Department's Childhood Lead Prevention Program assigns a public health nurse and an environmental investigator to assist the family in responding to the lead poisoning.
- In calendar year 1996, there were 54 children who received case management services. From 1991 through today, a total of 475 children have been served.
- When the investigation identifies lead hazards in the home, the Childhood Lead Prevention Program sends the owner a Notice of Violation or a related Order requiring the owner to remediate the identified hazards.

2. Why is the Order to Vacate and Relocation Assistance necessary?

- Many times a family can safely remain living in their unit while the lead hazard reduction work is performed.
- However, sometimes it is unsafe for the family to remain in the home while the work is being done. In that case the Department of Public Health will issue an Order to Vacate to the owner and the occupants, requiring the occupants to leave the premises during the lead hazard remediation work.
- Chapter 72 of the San Francisco Administrative Code mandates that residents vacated from residential units deemed unsafe due to the presence of lead hazards to a lead-poisoned child be given *relocation assistance*.
- An owner/occupant who is served with an Order to Vacate by DPH may also receive relocation payments, under the same terms and conditions as tenants, if there is money available in the Relocation Assistance Fund.

cc: Mitch Katz, M.D.
Interim Director, Health
Honorable Barbara Kaufman
President, Board of Supervisors

relocation

Attachment
Page 3 of 3

<u>Budget detail—Lead Hazard Abatement Relocation/Administration</u>					
\$116,442	TOTAL supplemental request				
<u>Relocation Assistance to Families:</u>					
\$67,500	Short-term relocation subsidy to 10 case families (basis: 30 days, family of 5)				
<u>Staffing Requirements to Administer Program</u>					
\$48,942	Health Program Coordinator III (2593, 0.75 FTE)				
\$116,442	Total Expenses				

Item 11 - File 127-97-1.1

Department: Telecommunications and Information Services

Item: Ordinance amending Article 10A (Emergency Response Fee) of Part III of the San Francisco Municipal Code (Revenue and Finance) by (a) amending Sections 751, 752, 753, 755, and 756 to increase the amount of the Emergency Response Fee, effective December 1, 1997, and to eliminate the estimate of project costs; (b) adding Section 752.1 to make additional findings; and (c) deleting Section 758 which provided for payment of conversion costs to service suppliers required to collect the Emergency Response Fee.

Description: The Emergency Response Fee was approved by the Board of Supervisors in December of 1993 for the purpose of funding a portion of the E-(Enhanced) 911 Project costs. The purpose of the E-911 Project is to improve the City's emergency response capabilities by integrating the Enhanced Computer Aid Dispatch/Automated Information System (CAD/AIS), the 800 MHz Radio System, the data radio system, the Police Department Mobile Computing System, and the 911 telephone system. The Emergency Response Fee is currently imposed at a rate of \$.50 per month, per telephone access line, and \$2.50 per month, per trunk line (normally, for commercial users) and is charged to both eligible¹ commercial and residential lines in San Francisco.

The proposed ordinance would increase the Emergency Response Fee by 100 percent. The fee for each eligible telephone access line would increase from \$.50 to \$1.00 per month and the fee for each eligible trunk line would increase from \$2.50 to \$5.00 per month. In addition, whereas the existing legislation mandates that the total sum of Emergency Response Fees to be collected cannot exceed \$60,000,000, the proposed legislation includes no limitation on the amount which may be collected.

Mr. Mike Martin, the E-911 Project Manager, has developed the E-911 Project estimates shown in Attachment I. Based on those data, the cost estimate for the E-911 Project has increased by \$34,419,631, or by 26.1 percent, from \$131,951,192 in 1996 to \$166,370,823 currently. Mr. Martin has also provided in Attachment I a summary of the E-911

¹The Emergency Response Fee is not imposed on "exempt" telephone subscribers." "Exempt" subscribers include non-profit hospitals and educational organizations, lifeline customers, the City, and coin-operated telephones.

Project, the Project's current cost status, and an explanation for each of the cost increases and the reasons of each of the cost increases.

Attachment II, also provided by Mr. Martin, shows the sources and uses for the most recent E-911 Project cost estimate of \$166,370,823, and also for the \$74,746,543 he expects to expend on the Project in FY 1997-98. As noted in the Attachment II, the Emergency Response Fee revenues are estimated at \$99,599,057 to fund the E-911 Project. Other fee revenues totaling \$66,771,766, or \$166,370,823 less \$99,599,067, are as shown below:

<u>Source</u>	<u>Amount</u>
Prior General Fund Transfers	\$23,234,683
911 Fund Interest Earnings	5,153,371
Grants	4,880,000
General Fund	33,503,712
Total	\$66,771,766

The proposed ordinance would amend the existing Emergency Response Fee provisions as follows:

- Eliminates the definition of "Conversion Costs"² (The proposed legislation would delete the provision whereby a service supplier may submit a claim to the Controller to recover conversion costs from fee revenues, obviating the need for the definition.)
- Deletes the current ceiling of \$60,000,000 as the total amount that can be collected from telephone subscribers through the Emergency Response Fee. The proposed legislation includes no ceiling.
- Inserts as a Board of Supervisors finding the statement that the Board of Supervisors concludes that the most efficient and effective 911 communications system features a combined dispatch system for police, fire, and health.
- Deletes as a Board of Supervisors finding the statement that the Board of Supervisors estimates that \$67,153,821

² "Conversion Costs" are currently defined as costs incurred by a service supplier to make initial modifications to the supplier's billing system, prior to beginning collection of a fee such as the Emergency Response Fee, in order to collect a local charge imposed at a flat rate on a per access line basis, rather than as a percentage of charges for telephone service.

will be required to respond to the audit recommendations (made by the Office of Emergency Services following the 101 California incident) and to significantly improve the 911 communication system.

- Inserts as an additional finding the statement that "(a) Due to circumstances that were unforeseen when the Emergency Response Fee was originally adopted, projected Project Costs have increased. As a result, it is necessary to increase the amount of the Emergency Response Fee from \$.50 per access line and \$2.50 per trunk line to \$1.00 per access line and \$5.00 per trunk line. (b) The 800 MHz public safety radio system that is under development by the City will perform call dispatch functions that will be an essential element of the new 911 Communications System. As a result, some 800 MHz costs can be included in Project Costs for purposes of this Article."
- Provides that commencing in 1998, the maximum amount that any one single telephone subscriber, either residential or commercial, can be required to pay in Emergency Response Fees shall increase from the current \$10,000 per calendar year to \$20,000 per calendar year.
- Provides that access line³ and trunk line⁴ increases shall be effective December 1, 1997.
- Deletes the provision whereby a service supplier may submit a claim to the Controller to recover conversion costs from fee revenues.

Budget: See Attachment No I.

Comments: 1. The Board of Supervisors approved legislation in September of 1997, authorizing the execution and approval of a Citywide, 800 MHz Radio System Project Agreement between the City and Motorola Communications and Electronics, Inc. (Motorola). The 800 MHz Radio System is a major component of the E-911 Project. The Board of

³An "access line" means any connection from a customer location to a provider of local telephone service offered to the public for compensation. Access lines include connections providing residential basic exchange service, business basic exchange service, PBX service (private branch exchange), foreign exchange service, and Centrex service.

⁴"Trunk line" service means access to local telephone service provided by means of a central office line to or from a private branch exchange or automatic call distributing system, or other similar service, at a telephone subscriber location.

Supervisors also approved the following three pieces of legislation that are dependent on monies that would be provided by the proposed increases to the Emergency Response Fee:

File 172-97-24: Resolution approving the project agreement between the Department of Telecommunications and Information Services and TRW, Inc., for the E-911 enhanced computer aided dispatch and automated information system;

File 101-97-8: Supplemental appropriation ordinance appropriating \$7,529,000 for the E-911 Project for FY 1997-98; placing \$4,500,000 on reserve; (on passage for second reading)

File 102-97-4: Ordinance amending the FY 1997-98 Annual Salary Ordinance to create seven new positions to provide staff for managing the E-911 Project (on passage for second reading)

With respect to File 101-97-8, \$4,500,000 was placed on reserve pending approval by the Board of Supervisors of this proposed subject legislation authorizing a 100 percent increase in the Emergency Response Fee.

2. Mr. Martin has stated that although the proposed legislation would eliminate the maximum amount of \$60,000,000 that could be collected from the Emergency Response Fee, the estimated maximum amount for such collection would be \$99,599,057, which is the amount shown in Attachment II as being the Emergency Response Fee source of the total project cost of \$166,370,823. However, under this proposed legislation, there is no limitation as to the total amount of revenues which could be charged by the City to San Francisco telephone subscribers, for purposes of funding the E-911 Project.

3. Mr. Martin has stated that if the proposed increase in the Emergency Response Fee is not implemented, and the estimated additional \$39,599,057 (\$99,599,057 less the current limit of \$60,000,000) is not then collected by the City, then the General Fund would probably be the revenue source for funding the \$39,599,057 for the required improvements to the E-911 System.

Recommendation: The proposed ordinance is a policy matter for the Board of Supervisors.

E-911 Project

Summary:

Voters in June 1994 approved Proposition B which authorized funding for a new emergency communication center and in November 1993, voters approved Proposition H to fund a Citywide radio system. The center was to perform two primary functions: Serve as an E-911 dispatch center for all emergency functions, and operate as a command center in times of major emergencies. Emergency response functions include 911 call taking and dispatch for Police Fire and Ambulance services. The facility will also house the Mayor's Office of Emergency Services, Emergency Communications Center, and related support facilities for the Department of Telecommunications and Information Services. The E-911 Project can be loosely grouped into the following components:

- E-911: A new computer system that will aid in the dispatch of emergency personnel (Computer Aided Dispatch - CAD). New technology will also enhance record management and scheduling among many other things to generally improve the efficiency and effectiveness of the system (Automated Information Systems - AIS).
- Combined Emergency Communications Center (CECC): A facility at Turk and Laguna streets that will serve as the building where all E-911 functions would be housed and operate from.
- Telephone Call Delivery System: A new system that will connect callers to the 911 dispatch system.
- Miscellaneous "Support Systems": This is a collection of functions that includes critical items linking various parts of the project together. For example, Support Systems includes design and production of dispatch consoles, logging recorders, wiring for local area networks, upgraded fire alarm monitoring, mobile computing terminals etc.
- 800 MHz Citywide Radio System: The system will improve the speed and quality of the City's wireless communications.

Current Project Status

Since it was originally envisioned in 1994, the project has grown in both size and scope. In addition, technology changed and improved, particularly in the area of the wireless communications. In March 1997, the City hired a consultant to assess the impact of these changes on forecasted project budgets and scheduling. Based on an extensive review, the consultant made certain findings that have been reviewed and clarified by City staff. In the main, the consultant found the project budget had grown from \$131 million to \$167 million, and that the project would not be complete until November 1999, four months after the envisioned July 1999 completion date.

A detailed project budget, showing original estimates vs. current estimates is attached. The financial status of the various portions of the project are summarized below:

CURRENT BUDGET/ESTIMATE BREAKDOWN			
Project Area	Est. Project Cost 1996 \$(000)	Current Est. Project Cost	VARIANCE \$(000)
800 MHz Radio	58066	58066	0
Automated Information Systems (AIS)	10200	10818	-618
Computer-Aided Dispatch (CAD)	4500	20873	-16373
E-911 Project Management	4210	9926	-5716
CECC Facility	24273	25274	-1001
Communications/Telephony /Support Systems	11125	17207	-6082
Other Costs	19577	23156	-3579
Training		1050	-1050
TOTALS	131951	166370	-34419

Discussion:

As shown in the above table, a \$34.4 million shortfall exists between the project as it was originally envisioned, and the current budget. The major variances are as follows:

- Computer Aided Dispatch/Automated Information System: Initial estimates did not anticipate all end user requirements. For example, as originally envisioned, these computer systems did not include record management and scheduling.
- CECC Facility: The CECC Facility costs increased in the main because the facility is twenty-five percent larger than the facility that was originally envisioned, and because the cost of building materials has risen since original estimates were made.
- Project Management: Initial estimates of the project management costs did not make provisions for professional services to integrate the group of projects. Those costs have now been included.
- Project Contingency: Although the CECC construction and 800 Mhz components of this project have their own contingency, no provisions were made for an overall "Project Contingency." The revised budget includes a \$13.8 million Project Contingency (roughly 10 percent of the project cost, excluding the CECC and 800 Mhz project) intended to cover unanticipated changes in the project. The contingency costs are spread across the project.

- Financing: Overall financing costs for the project have risen, (identified above as "other costs") due to an increase in the amount of hardware equipment that will be financed with lease revenue bonds and an extension of repayment for the CECC bonds.

Commencement of construction for the Combined Emergency Command Center, which began June 23, 1997, requires that all phases of the E-911 project move forward expeditiously. To that end, various activities have been undertaken. Significantly, approval is being sought to increase the City's E-911 fee to close the \$34.4 million funding gap, which will solve the project's cash flow dilemma and reduce the project's General Fund liability. In addition, various organizational activities have been initiated.

911 PROJECT SOURCES AND COSTS

Sources		Uses		
		Budget Name	Project Costs	Total Costs
Prior Fiscal Year GF Transfers	23,234,683	Building	25,273,403	
911 Fees (\$1 assumption)	99,599,067	AIS	10,817,752	
911 Interest Earnings	5,163,371			
Grants	4,880,000	CAD	20,872,899	
GF Contributions to Deficits	33,503,712	Communications	17,207,422	
		Project Management	9,926,400	
		Community Mitigation	3,031,000	
Total	166,370,823	Total	87,128,875	107,264,723
		800 MHz Project		
		Budget Name		
		Radio Administration	8,416,100	
		Radio System	40,550,000	
		Total	48,966,100	68,066,100
		Total 911 Project Cost	136,084,876	165,320,823
		plus Training		1,050,000
				166,370,823

911 Project Sources		Fiscal Year 97-98 Uses and Sources	
		911 Project Costs	
911 Fee Funds	15,517,451	Building	19,773,000
General Fund	-	Communications	10,835,367
Bond Sales	54,349,092	AIS	2,248,000
Grants (COPS More, Fed)	4,880,000	CAD	10,171,676
		Community Mitigation	500,004
		800 MHz	31,218,498
Total	\$ 74,746,543	Total	\$ 74,746,543

Item 12 - File 25-97-14

Department: Airport

Item: Resolution concurring with the Controller's certification that Airport Information Booth Services at San Francisco International Airport can continue to be practically performed by a private contractor at a lower cost for Fiscal Year 1997-98 than if work were performed by City employees.

Services to be Performed: Airport Information Booth Services

Description: Charter Section 10.104(15) provides that the City may contract with private firms for services which had been performed by City employees if the Controller certifies, and the Board of Supervisors concurs, that such services can in fact be performed by private firms at a lower cost than similar work services performed by City employees.

The Controller has determined that contracting for Airport Information Booth Services for FY 1997-98 would result in estimated savings as follows:

Airport Information Booth Services

	Lowest Salary	Highest Salary
<u>City-Operated Service Costs</u>	<u>Step</u>	<u>Step</u>
Salaries	\$1,132,576	\$1,335,864
Fringe Benefits	293,464	324,607
Operating Expenses	<u>203,109</u>	<u>203,109</u>
Total	\$1,629,149	\$1,863,580
 <u>Contractual Services Cost</u>	 <u>\$1,300,000</u>	 <u>\$1,300,000</u>
 <u>Estimated Savings</u>	 <u>\$329,149</u>	 <u>\$563,580</u>

Comments: 1. Airport Information Booth Services were first certified as required by Charter Section 10.104(15) in 1990 and have been continuously provided by an outside contractor since then. Such services consist of providing comprehensive information on ground transportation, airport facilities and services, visitor activities in the City, special events, and selling public transit passes.

BOARD OF SUPERVISORS
BUDGET ANALYST

2. The current one-year contract with Polaris Research and Development, Inc., expires October 14, 1997. The contract provides the Airport with four additional one-year renewal options. The Airport is seeking to renew the current one-year contract for Airport information booth services with Polaris Research and Development, Inc. commencing October 15, 1997 through October 14, 1998.

3. According to Mr. Brian Cheu of the Human Rights Commission, Polaris Research and Development, Inc. has been certified as being in compliance with the Equal Benefits Ordinance.

4. The Controller's supplemental questionnaire with the Department's responses, including the MBE/WBE status of the contractor, is provided in Attachment I. Polaris was a certified MBE firm until the owner's death in 1995. Although Polaris is no longer certified as an MBE firm, according to the attached questionnaire, 80% of Polaris personnel employed on the Airport Information Booth Services program are minorities.

Recommendation: Approve the proposed resolution.

REVISED CHARTER 8.300-1 (Proposition J) QUESTIONNAIRE

DEPARTMENT: SFIA Landside Operations
CONTRACT SERVICES: Airport Information (AI) Booth Program
CONTRACT PERIOD: October 15, 1997 - October 14, 1998

(1) Who performed services prior to contracting out?

These services have been performed by Polaris Research & Development since the program's inception in 1990. Airport Commission Resolution 95-0090 awarded the Airport Information Booth contract to Polaris for one year, with four additional one-year renewal options at Commission discretion. The contract renewal for the second of four renewal options was approved by the Airport Commission Resolution #97-_____, on July 15, 1997.

(2) Number of City employees laid off as result of contracting out?

None (see #1)

(3) Explain disposition of employees if they were not laid off.

N/A (see Item #1)

(4) What percentage of a City employee's time is spent on services to be contracted out?

N/A (see Item #1)

(5) How long have the services been contracted out? Is this likely to be a one-time or an ongoing request for contracting out?

Services have been contracted out since program inception on October 15, 1990; this will be ongoing request for contracting out.

(6) What was the first fiscal year for a Proposition J Certification? Has it been certified for each subsequent year?

It was first certified in Fiscal Year 1990/91 and has been certified each subsequent year.

(7) How will contract services meet the goals of your MBE/WBE Action Plan?

The firm was a certified MBE firm until the owner's death in 1995. The firm remains committed to employing a significant percentage of minorities. Currently eighty percent (80%) of the Polaris personnel employed on the AI program are minorities. In addition, the contractor will be required to demonstrate "best efforts" to achieve at least a 20% goal to utilize local MBEs and WBEs as subconsultants, vendors and suppliers.

(8) Does the proposed contract require that the contractor provide health insurance for its employees? Even if it is not required, does the proposed contractor provide health insurance for its employees?

Although the contract does not require that the contractor provide health benefits, the Contractor does offer a full benefits package to employees, including health and disability coverage, life insurance, sick leave and vacation pay. The contractor also provides a 401K retirement program for employees.

(9) Does the proposed contractor provide benefits to employees with spouses? If so, are the same benefits provided to employees with domestic partners? If not, how does the proposed contractor comply with the Domestic Partner ordinance?

Polaris provides benefits to employees with spouses and offers these benefits to domestic partners as shown in the attached declaration.

Department Representative:
Telephone Number:

Janice Gendreau
 876-2158

071515d as2

Item 13 - File 100-97-1.1

Department: Department of Administrative Services

Item: Hearing to consider release of reserved funds for the San Francisco Museum Project.

Amount: \$120,000

Source of Funds: General Fund

Description: The proposed request for a release of \$120,000 which was reserved in the FY 1997-98 adopted Department of Administrative Services budget, is for ongoing operating costs for the Museum of the City of San Francisco (San Francisco Museum), a non-profit organization. The San Francisco Museum, located on the third floor of the Cannery Building at 2801 Leavenworth Street, at Beach Street, began operations in August of 1991 and houses various memorabilia from San Francisco's history. This memorabilia includes a permanent exhibit on the "Destruction of the Great City", concerning the earthquake and fire of 1906, a current temporary exhibit on the "Summer of Love" and other ethnic and cultural heritage displays. The San Francisco Museum is open Wednesdays through Sundays from 10:00 a.m. to 4:00 p.m. and is free to the public.

Budget: The Attachment provided by the San Francisco Museum includes the budget, as provided by the San Francisco Museum, for the requested \$120,000.

Comments: 1. According to Mr. Steve Nelson of the Department of Administrative Services, in FY 1996-97, for the first time, the City included \$100,000 in the Department of Administrative Services budget for the San Francisco Museum. Mr. Nelson reports that the Department of Administrative Services does not provide any administrative or other oversight of these funds for the Museum. In the FY 1997-98 budget of the Department of Administrative Services, an amount of \$120,000 was approved but reserved. Mr. Nelson reports that these funds, as submitted to the Board of Supervisors in the FY 1997-98 budget, were placed on reserve because some of the principals involved with the San Francisco Museum were participating in the bidding on the acquisition of the Mount Davidson Cross property. However, Mr. Nelson states that since the award for the Mount Davidson Cross property has already been made

September 24, 1997 Finance Committee Meeting

(subject to approval by the San Francisco voters), and the principals from the San Francisco Museum were not the successful bidders, the Department has now requested that this reserve be released by the Finance Committee.

2. According to Ms. Diana Yee of the San Francisco Museum, the Del Monte Corporation provided a one-time \$50,000 grant to the Museum for start-up expenses in the Cannery. In addition, Ms. Yee reports that the San Francisco Museum received a \$16,500 grant in 1993 from the Grant for the Arts to assist the Museum in publishing an informational brochure. Ms. Yee also reports that the Museum's Board of Directors have been generous in their donations to support the initial start-up and ongoing costs of the Museum, which began operations in 1991, such that the San Francisco Museum did not use City monies for operating expenses prior to Fiscal Year 1996-97. According to Ms. Yee, although the San Francisco Museum is free, the Museum requests donations from visitors, collects some revenues from operating a small store selling San Francisco products (such as historical books, postcards, maps, puzzles and notepads), receives donations of rent and parking from the Cannery and receives other private donations. According to the financial statements provided by the Museum, in 1996, a total of \$60,187 of revenue was realized from these other sources and Ms. Yee estimates that approximately \$60,000 in other revenues will be received in 1997.

3. Ms. Yee reports that the Museum initially relied primarily on volunteer staff, with one paid staffperson, to operate the Museum. However, with the addition of the City's \$100,000 General Fund appropriation in Fiscal Year 1996-97, the Museum was able to hire additional paid staff for its operations. According to Ms. Yee, the Museum is requesting \$120,000 for Fiscal Year 1997-98, a \$20,000 or 20 percent increase over the Fiscal Year 1996-97 City General Fund appropriation primarily because the Museum wants to increase their current staff from three to four staffmembers. These staffpersons are not Civil Service employees but are employees of the San Francisco Museum, which is a non-profit organization. Ms. Yee reports that the new position to be added would be a Service Desk Clerk, at an annual salary of \$20,800. The administrative salaries for each of the four Museum staffpersons is shown in the Attachment. According to Ms. Yee, the proposed budget does not include any funds

for fringe benefits for these positions because the Museum staff do not receive any fringe benefits.

4. The San Francisco Museum operates on a calendar year. The Budget Analyst reviewed the Museum's Income Statement for the first eight months of calendar year 1997. Based on an annualization of the Museum's actual expenses through August 31, 1997, the Museum will have total annual expenses of \$146,038. in 1997.

5. Therefore, the proposed \$120,000 City General Fund contribution for FY 1997-98 represents over 82 percent of the Museum's operating budget for 1997. The balance of \$26,038 (\$146,038 annual expenses less \$120,000 City appropriation) would be paid from other contributions, retail sales and donations received by the Museum. However, as noted above, in calendar year 1996, the Museum received \$60,187 in revenues and anticipates receiving approximately the same amount of revenues in 1997. Therefore, as stated above, the increased funding level provided by the City will enable the Museum to expand the level of staffing in order to provide additional services at the Museum.

6. According to Ms. Yee, because the Museum did not receive the FY 1996-97 \$100,000 appropriation from the City until approximately October of 1996, the Museum had approximately \$25,000 or three months of funding remaining after June 30, 1997, the end of the City's fiscal year. Ms. Yee reports that the Museum is using this approximately \$25,000 of carryover City funds from the FY 1996-97 appropriation to currently pay the existing staff. However, Ms. Yee cautions that the Museum only has sufficient remaining funds to meet one more payroll. If the Museum is to continue to depend primarily on the City's General Fund for annual appropriations to pay for the Museum's operating expenses, in order to permit direct comparisons of revenues and expenses, the San Francisco Museum should, at a minimum, change from a calendar fiscal year to a fiscal year of July 1 through June 30, to coincide with the City's Fiscal Year.

7. Although the City provided \$100,000 of operating expenses in FY 1996-97 and is now being requested to provide \$120,000 for FY 1997-98, the Museum cannot at this time indicate what their future operating costs will be and whether they will need to continue to depend on the City's General Fund for their primary operating

expenses. According to Ms. Yee, the future amounts requested from the City of San Francisco will depend on the growth and attendance at the Museum and the success of the Museum's store sales, membership campaign and grant solicitations. Ms. Yee reports that the Museum is growing and is currently attempting to acquire the City's Police and Fire Museums presently owned by the City as well as artifacts presently stored by the DeYoung Museum, which are not available for viewing by the public.

8. Ms. Gladys Hansen of the Museum reports that the City's Police Museum is presently being stored in boxes by the Police Department. According to Ms. Hansen, the City's Fire Museum is currently located at 655 Presidio Avenue in a Fire Station that is scheduled to be closed for seismic upgrading. Ms. Hansen reports that the Museum expects these materials from the Police and Fire Departments to be given free of charge. However, there would be additional capital and operating costs to the Museum to set up the exhibits and to maintain these exhibits on display.

9. The Budget Analyst raises concerns regarding the following: (1) the role of the City in the Museum's future policy and funding decisions; (2) the appropriateness of having these funds for the San Francisco Museum budgeted in the Department of Administrative Services even though the Department of Administrative Services has no policy, operating or other administrative oversight of the Museum; (3) the appropriateness and benefits to the City of funding the operations of the San Francisco Museum, as has occurred the past two years; (4) whether the Board of Supervisors intends to continue to have the City's General Fund be the primary support (over 82 percent for FY 1997-98) for the ongoing operations of the San Francisco Museum, a non-profit organization; (5) the future viability of the San Francisco Museum, a non-profit organization, if their ongoing operations are primarily dependent on the City's General Fund; and (6) given that the Museum has major expansion plans related to the Police, Fire and DeYoung Museum exhibits, and that the Museum cannot identify future funding sources to pay for these expansion plans, it appears that the Museum's dependence on the City's General Fund will likely increase.

Memo to Finance Committee
September 24, 1997 Finance Committee Meeting

Recommendation: Approval of the proposed requested release of reserve funds is a policy matter for the Board of Supervisors.



Official Seal 1852-1856

Museum of the City of San Francisco

Distribution of \$120,000 from City of San Francisco

\$99,840 for administrative salaries

Director Information Services & Operations	\$41,600/ yr.
Executive Assistant (part time)	\$24,960/ yr.
Archivist (part time)	\$12,480/ yr.
Service Desk Clerk	\$20,800/ yr.

\$9,845 for employer's payroll taxes.

\$6,896 for "Take a Closer Look" a historical video to used as a teachers aid in schools.

\$1,000 for light bulbs.

\$300 for vacuum cleaner.

\$500 for computer supplies.

\$500 for shelving.

\$700 for service contract and supplies for copier.

\$419 general office supplies.

2801 Leavenworth Street
San Francisco, California 94133

The Cannery - 3rd Floor
(415) 928-0289

Registered nonprofit 501 (c) (3) organization • Taxpayer ID No. 68-010888

Item 14 - File 146-97-20

Department: Department of Public Health

Item: Resolution authorizing the Department of Public Health, Public Health Division, Emergency Medical Services Agency (EMSA) to retroactively apply for, accept and expend a grant to provide for the development of a Metropolitan Medical Strike Team to respond to the potential use of nuclear, biological or chemical weapons by terrorists; waiving indirect costs and providing for ratification of action previously taken.

Grant Amount: \$350,000

Grant Period: September 30, 1997 through December 31, 1998 (15 months).

Source of Funds: Federal Department of Health and Human Services

Description: The proposed resolution would retroactively authorize the EMSA, a unit of the Department of Public Health (DPH) Public Health Division, to apply for, accept and expend \$350,000 in Federal grant funds available under the Federal Anti-Terrorism Act of 1996. The subject grant funds would be used for development of a Metropolitan Medical Strike Team (MMST). Dr. John Brown of the EMSA states that the purpose of an MMST is to respond to the health and medical consequences for San Francisco residents of the potential use of nuclear, biological or chemical weapons by terrorists. According to Dr. Brown, San Francisco was one of 27 cities that was specifically earmarked by the U.S. Congress to receive such funds in the Anti-Terrorism Act of 1996.

Dr. Brown advises that San Francisco's MMST would be composed of existing Paramedics and Firefighters within the San Francisco Fire Department (SFFD), who would receive special training and equipment to enable them to respond to medical emergencies caused by terrorists. Dr. Brown further advises that no new positions would be associated with development of the MMST.

Budget: The subject grant funds totalling \$350,000 would be used to purchase pharmaceuticals (\$94,290), training (\$60,000) and equipment (\$195,710). Attachment No. 1 to this report is a detailed budget provided by the DPH.

Dr. Brown states that the \$94,290 for pharmaceuticals would be used to purchase antidotes to biological and chemical weapons. He advises that the budget shown in Attachment No. 1 provides estimates of the costs of such pharmaceuticals,

BOARD OF SUPERVISORS
BUDGET ANALYST

and that the EMSA plans to utilize the normal City procurement process to obtain these pharmaceuticals.

According to Dr. Brown, \$60,000 is budgeted to provide training to 30 SFFD uniform employees, who would each receive 200 hours of training equivalent to that which is already provided to members of the SFFD Hazardous Materials Team, at a cost of \$10 per hour per training participant. Dr. Brown advises that the EMSA plans to expand an existing contract with Industrial Emergency Council (IEC), the firm which currently trains the SFFD Hazardous Materials Team, to provide the training under the subject MMST grant. Dr. Brown reports that the existing contract with IEC was awarded on a sole source basis because IEC was the only firm that had the proper training equipment and expertise to train the City's staff in these hazardous materials areas on site. IEC is neither an MBE, WBE or LBE firm.

Dr. Brown states that the specific equipment totalling \$195,710 is shown in detail in the column marked "Total" on pages 2 and 3 of Attachment No. 1.

Required Match: None.

Indirect Costs: None. (See Comment No. 2.)

Comments:

1. Dr. Brown advises that the DPH did not obtain Board of Supervisors approval prior to applying for the subject grant funds because the Federal Department of Health and Human Services requested that San Francisco apply for the funds, and provided a short time period in which the funds would potentially be available. He further states that the granting agency, the Federal Department of Health and Human Services, has informed the DPH that the Federal contract must be signed no later than September 29, 1997, which would be prior to approval of the subject resolution by the Board of Supervisors. However, Dr. Brown states that no funds have been received or expended as of the writing of this report. The proposed resolution provides retroactive authorization for the DPH to apply for, accept and expend the subject grant funds.

2. As shown in Attachment 1, additional non-grant funds are being earmarked for the MMST Project. Specifically, Dr. Brown advises that a total of approximately \$263,635 in disaster relief funds currently budgeted in the SFFD and the DPH FY 1997-98 budgets will be utilized to assist with the MMST Project (see column marked "in-kind"). Additionally, Dr. Brown states that the Federal Department of Defense

(DOD) is planning to provide training, valued at \$300,000, to selected City employees and members of the public who are directly involved in disaster relief efforts, designed to acquaint such persons with techniques used by the DOD to counteract the effects of biological and chemical weapons. (See column marked "training.")

3. Dr. Brown states that the EMSA requests a waiver of indirect costs in order to maximize the amount of grant funds available for purchase of the pharmaceuticals, training and equipment detailed in the project budget. According to Dr. Brown, because of the significant commitment City agencies are making towards developing this MMS Team and because the proposed grant funds are the only available funding source for these items, the EMSA believes that, as a matter of policy, the City should utilize the full grant amount for direct project costs.

4. The Summary of Grant Request form prepared by the DPH is shown as Attachment No. 2 to this report.

4. The DPH has completed a Disability Access Checklist which is on file with the Office of the Clerk of the Board of Supervisors.

Recommendation: We recommend approval of the proposed resolution, except that we consider the request for a waiver of indirect costs to be a policy decision for the Board of Supervisors.

Sheet1

MMST BUDGET PROPOSAL SPECIFICS							
PLANNING/TRAINING/ADMINISTRATION							
Description	Number	Cost @	Indirects		Total	Training	In Kind
Full Time Equivalent Planner	1	75000	0.2298		17235		92235
SFFD HAZMAT specialist training	30	2000	0	60000	0	60000	
DOD training cache						300,000	
				Subtotal	60000	300,000	92235
PHARMACEUTICALS							
Arlington MMST Pharmaceutical Package	1	87738	0		0	87738	
SFGH Additions:							
Cyanide kits	60	106.7	0	6402	0	6402	
Valium 10mg ampules	100	1	0	100	0	100	
Amyl nitrate ampules	500	0.1	0	50	0	50	
				SFGH Subtotal	6552		
				Subtotal	94290		
EQUIPMENT							
SFFD Total Package	1	58200	0		0	58200	
SFGH Package:	1	27000	0		0	27000	86900
Medical Examiner Package	1	23010	0		0	23010	6500
Ambulance Package	1	46600	0		0	46600	
MUNI/BART Package	1	10900	0		0	10900	52000
Receiving Hospital Package	1	30000	0		0	30000	26000
				Subtotal	195710	300,000	171400
TOTAL GRANT BUDGET					350000		263635
f:\commons\cor\mmst2.xls							

Attachment 1
Page 2 of 3

SFGH Equipment Package:				
Item	Quantity	Unit cost	Total	In Kind
Level A PPE Suits	20	500	10000	
Level B PPE Suits	40	100	4000	
Chemical Detection Devices	5	6500	13000	19500
Decontamination showers	5	5000		25000
GP Medium Tents	4	2000		8000
Brushes & sponges	20	5		100
Soap solutions				200
Tyvek coveralls for patients	1000	5		5000
Fiberglass backboards	30	40		1200
Supports for backboards				200
Space heaters	4	100		400
Cots	100	20		2000
Bag valve mask respirators	30	10		300
Lighting for parking lot				20000
Aluminum Blankets	1000	5		5000
Total			27000	86900
Medical Examiner Package				
Level A PPE Suits	1	500	500	
Level B PPE Suits	25	100	2500	
Plastic body pouches	2001	10	20010	
Chemical detectors	1	6500		6500
Total			23010	6500
Ambulance Package (3KA, 11AMR, 16 SFFD)				
Level B PPE Suits	64	100	6400	
Chemical detection devices	6	6500	39000	
Fiberglass backboards	30	40	1200	
Total			46600	
MUNI/BART Package				
Level B PPE Suits	69	100	6900	
CCT Monitor Police Dispatch	2	1000	2000	
Chemical detectors	8	6500		52000
PA Slide computer program	1	2000	2000	
Total			10900	

Sheet1

RH Equipment Package				
Item	Quantity	Unit Cost	Total	In Kind
Level B PPE Suits	40	100	4000	
Chemical detectors	8	6500	26000	26000
Total			30000	26000
SFFD Package				
Level B suits	75	100	7500	
Decontamination Equip				
Brushes/sponges	20		200	
Soap solution			200	
Tyvers			5000	
supports	1000		300	
Blankets(aluminum)	1000		5000	
Towels	1000		400	
Pools	15		500	
Level A Suits	8	500	4000	
Level A suits	4	3000	12000	
with Air Compressor				
Nerve gas/Biological				
Sensing Devices	5	300	15000	
Radiological Meter	3	1500	4500	
Positive Pressure Fans	3	1200	3600	
Total			58200	

in No. _____

Health Commission - Summary of Grant Request

Rev. 4/10/90

Grantor Dpt. of Health & Human Services
 Contact Person Janet Miller
 Address DAM, AOS Gen. Acquisitions Branch
Rockville, MD 20851
 Amount Requested \$ 350,000
 Term: From 10/1/97 To 12/31/98
 Health Commission _____ Board of Supervisors: Finance Committee _____
 Division Public Health
 Section EMS Agency
 Contact Person Abbie Yant
 Telephone (415) 554-9970
 Application Deadline 8/14/97
 Notification Expected 8/30/97
 Full Board _____

I. Item Description: Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (augmentation to a)
 (Circle appropriate words) grant in the amount of \$350,000 from the period of 10/1/97 to 12/31/98
 to provide for development of a Metropolitan Medical Strike Team services.

II. Summary: (Concise Summary, need addressed; number + groups served; services and providers)

SEE ATTACHED

III. Outcomes/Objectives:

SEE ATTACHED

IV. Effects of Reduction or Termination of These Funds:

City will not be able.

V. Financial Information:

	Col. A Two Years Ago	Col. B Past Year/Orig.	Col. C Proposed 350,000	Col. D Change	Req. Match	Approved by
Grant Amount	_____	_____	350,000	_____	_____	_____
Personnel	_____	_____	_____	_____	_____	_____
Equipment	_____	_____	290,000	_____	_____	_____
Contract Svc.	_____	_____	60,000	_____	_____	_____
Mat. & Supp.	_____	_____	_____	_____	_____	_____
Facilities/Space	_____	_____	_____	_____	_____	_____
Other	_____	_____	_____	_____	_____	_____
Indirect Costs	_____	_____	0	_____	_____	_____

VI. Data Processing

(costs included above)

VII. Personnel

	F/T CSC	P/T CSC	Contractual
F/T CSC	_____	_____	_____
P/T CSC	_____	_____	_____
Contractual	_____	_____	_____

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

N/A

Will grant funded employees be retained after this grant terminates? If so, How?

N/A

VIII. Contractual Services: Open Bid _____ Sole Source X (If sole source, attach Request for Exemption Form)

Item 15 - File 101-95-71.3

Department: Department of Public Works (DPW)

Item: Hearing to consider release of reserved funds in the amount of \$36,173,451 to fund the ongoing City Hall Non-Seismic Improvement Project.

Amount: \$36,173,451

Source of Funds: 1995 City Hall Improvement Bond Funds (Proposition "A")

Description: In November of 1995, San Francisco voters approved a \$63,590,000 General Obligation bond issuance to support non-seismic improvements to City Hall (Proposition "A"). These improvements include increased disability access, telephone and data wiring, electrical service, hazardous material abatement, repair and refurbishment of the copper dome, exterior railings and various other expenditures.

In April of 1996, the Board of Supervisors appropriated \$5,687,710 of the City Hall Improvement Bond Fund proceeds to begin design work, for bond issuance costs, and other related costs. In July of 1996, the Board of Supervisors appropriated the balance of \$57,902,290 of the 1995 City Hall Improvement Bond Funds, placing \$43,524,203 on reserve pending selection of construction contractors and information regarding their MBE/WBE status.

The Finance Committee released \$7,350,752 of the reserve in April of 1997 to cover certain costs of the project including infrastructure fire protection, telecommunications wiring and installation, electrical infrastructure installation, and mechanical and plumbing work. Of the \$7,350,752 released, 20 percent, or \$1,470,150 was allocated to MBE/WBE firms.

Mr. Tony Irons, DPW Project Manager, reports that the proposed release of the remaining reserve balance of \$36,173,451 (\$43,524,203 less \$7,350,752) would be used to fund construction of skylights, ornamental metals, windows, roofing, dome restoration, utility systems in tenant spaces and miscellaneous improvements. Of that total, \$5,921,262 would be used to pay the general contractor Huber Hunt & Nichols including \$5,002,204 for general contractor overhead and profit and \$919,058

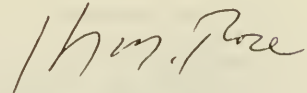
for construction work. The remaining \$30,252,189 of the reserve funds would be used to pay other subcontractors for work on the non-seismic project. According to Mr. Irons, these subcontractors were selected through the City's regular competitive bidding process, except in cases where the Board of Supervisors authorized DPW to negotiate with these subcontractors.

Budget: The Attachment, provided by Mr. Irons, is the budget for the requested \$36,173,451 release.

- Comments:**
1. The Attachment provided by Mr. Irons contains a list of the funds to be paid to Huber Hunt & Nichols and to the subcontractors together with the MBE/WBE status of the subcontractors. Of the \$30,252,189 for subcontract work, \$10,607,963, or 35 percent, has been allocated to MBE/WBE firms. The balance of \$5,921,262 would be allocated to the prime contractor, Huber Hunt & Nichols, for general contractor overhead and profit and for payment for construction services.
 2. According to Mr. Irons, the plans for determining which departments will occupy City Hall have not yet been finalized.
 3. Mr. Irons states that the City Hall Non-Seismic Improvement Project is scheduled to be completed by January 1, 1999. However, Mr. Irons stated that he is uncertain as to whether or not additional funding beyond the previously authorized bond issue of \$63,590,000 for the non-seismic improvements will be needed to complete work on the Non-Seismic Improvement Project. If additional funds are needed, Mr. Irons has stated that possible sources include earned interest on 1995 City Hall Improvement Bonds (Project "A") and grant funds.
 4. In the professional judgment of the Budget Analyst, the Board of Supervisors should be provided as quickly as possible with the estimated additional costs if any, to complete the City Hall Non-Seismic Improvement Project, the funding sources and the amounts of additional funding required to complete the Project. However, according to Mr. Irons, the City Hall Non-Seismic Improvement Project is at a critical juncture and the subject requested reserved funds are necessary to continue construction at this time.

Memo to Finance Committee
September 24, 1997 Finance Committee Meeting

Recommendation: Approval of the proposed release of reserved funds is a policy matter for the Board of Supervisors.


Harvey M. Rose

cc: Supervisor Leal
President Kaufman
Supervisor Brown
Supervisor Ammiano
Supervisor Bierman
Supervisor Katz
Supervisor Medina
Supervisor Newsom
Supervisor Teng
Supervisor Yaki
Supervisor Yee
Clerk of the Board
Controller
Stephen Kawa
Ted Lakey

Board of Supervisors
Release of Reserve for 1995
9/10/97
Page 3

Project Cost Breakdown**September 10, 1997****1. Skylights**

Subcontractors: MBE <1% / WBE 6.5%

Aman Environmental Const., Inc. (demolition)	\$137,961
Bostrom-Bergen Metal Products (Structural steel)	1,343,788
CST Environmental, Inc. (haz mat abatement)	1,520
Huber, Hunt & Nichols, Inc. (misc. const.)	689,999
Handypersons, Inc. (carpentry WBE)	303,303
Meiswinkel/French JV (metal studs)	46,880
Lawson Roofing (roofing)	9,583
SCA Environmental (abatement monitoring MBE)	506
Van Mulder Sheet Metal, Inc. (sheet metal)	10,508
W.G. Thompson, Inc. (painting)	48,065
Architctural Skylight (skylights)	2,014,000
Subtotal for subcontract work	4,606,113
General Contractor Overhead & Profit	744,247
Total for Skylights Change Order	\$5,350,360

2. Ornamental Metals

Subcontractors: MBE 0.5% / WBE 12.8%

Jenkins Trucking (trucking MBE)	\$4,000
B & C Painting (sandblasting WBE)	95,000
Huber, Hunt & Nichols (cleaning, protection)	17,700
J. Thompson & Sons Painting (metal restoration)	621,000
Subtotal for subcontract work	737,700
General Contractor Overhead & Profit	119,196
Total for Ornamental Metals Change Order	\$856,896

3. Windows

Subcontractors: MBE 0.4% / WBE 94.9%

Huber, Hunt & Nichols, Inc. (cleaning, protection)	\$33,955
SCA Environmental, Inc. (abatement monitoring MBE)	3,500
Handypersons, Inc. (window restoration WBE)	720,754
Subtotal for subcontract work	758,209
General Contractor Overhead & Profit	122,510
Total for Windows Change Order	\$880,719

Board of Supervisors
Release of Reserve for 1995
9/10/97
Page 4

4. Roofing

Subcontractors: MBE 23.7% / WBE 0%	
Lawson Roofing	170,720
Lawson sub (material supplier MBE)	21,000
Carrara Marble Co. (stonework MBE)	70,950
Van Mulder Sheet Metal, Inc. (sheet metal)	75,714
SCA Environmental, Inc. (abatement monitoring MBE)	2,530
Huber, Hunt & Nichols, Inc. (general construction)	57,391
Subtotal for Subcontract work	398,305
General Contractor Overhead and Profit	64,357
Total for Roofing Change Order	462,662

5. Tenant Improvements, Package A

Subcontractors: MBE 45.3% / WBE 7.4%	
Handypersons (carpentry WBE)	\$431,300
Handypersons, Inc. (glass & glazing WBE)	397,300
Cal-Door (doors, frames, & hardware)	1,354,500
Otis Elevator Co. (dumbwaiter)	26,404
Meiswinkel/French JV (drywall & plaster)	6,986,400
FMI sub (MBE)	1,746,600
Kent Lim & Co., Inc. (mechanical MBE)	6,300,000
Lim sub (MBE) to be determined	TBD
Lim sub (WBE) to be determined	TBD
Cresci Electric (electrical WBE)	500,000
Subtotal for Subcontract work	17,742,504
General Contractor Overhead and Profit	2,838,801
Total for Tenant Improvements, Package A	\$20,581,305

6. Dome Restoration

Subcontractors: MBE 0.3%/WBE 0%	
Jerry Thompson & Sons (dome restoration)	2,230,000
Patent Construction Systems (scaffold)	597,535
SCA Environmental, Inc. (abatement monitoring MBE)	11,220
Huber, Hunt & Nichols, Inc. (misc. construction)	42,715
Subtotal for Subcontract work	2,881,470
General Contractor Overhead and Profit	465,582
Total for Dome Restoration	3,347,052

Board of Supervisors
Release of Reserve for 1995
9/10/97
Page 5

7. Tenant Improvements, Package B (partial)

Subcontractors: MBE 0% / WBE 0%

Dupont/MSA (carpet)	1,355,180
Huber, Hunt & Nichols, Inc. (floor preparation ,etc.)	107,753
ISEC (rigging)	673,000
ISEC (built-in appliances)	22,710
Pro-Media (sound & video, partial)	783,338
Rosendin Electric (security surveillance)	1,104,965
Subtotal for Subcontract work	4,046,946
General Contractor Overhead and Profit	647,511
Total for Tenant Improvements, Package B	4,694,457

Total for this release of reserve **\$36,173,451**

Total for MBE's **8,160,306**

Total for WBE's **2,447,657**

Total subcontract amount **31,171,247**

Total MBE percentage of subcontract work **26.1%**

Total WBE percentage of subcontract work **7.8%**

FINANCE COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

SEP 11 2000

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REGULAR MEETING

WEDNESDAY, OCTOBER 1, 1997 - 1:00 P.M.

VETERANS BUILDING
401 VAN NESS AVENUE
ROOM 410

MEMBERS: SUPERVISORS SUSAN LEAL, BARBARA KAUFMAN, AMOS BROWN

CLERK: ROSEMARY LITTLE-HORANZY

Present: Supervisors Leal, Kaufman, Brown

Absent: Supervisor Leal, Item 8.

Meeting Convened at 1:10 p.m.

1. File 56-97-6. [Rules of Order] Motion amending the Rules of Order of the Board of Supervisors by adding Rule 6.21 in order to specify duties and relationships for Legislative Analysts. (Clerk of the Board)

ACTION: Hearing held. AMENDED. RECOMMENDED AS AMENDED.
Supervisor Kaufman presented and amendment of the whole bearing same title ADOPTED.

2. File 98-97-1. [Budget Analyst Contract] Hearing to consider exercising the fourth option in the agreement with the budget analyst to extend the agreement for two years, from January 1, 1998 to December 31, 1999. (Clerk of the Board.)

ACTION: Hearing held. CONSIDERATION CONTINUED TO NOVEMBER 5, 1997 MEETING.

3. File 194-97-2.1. [Anti-Tobacco Advertising Funds] Resolution accepting Anti-Tobacco Advertising and Education Funds made available in Janet C. Mangini v. R.J. Reynolds Tobacco Company, et al. (Supervisor Kaufman)

ACTION: Hearing held. RECOMMENDED.

4. File 127-97-1.1. [Emergency Response Fee Increase] Ordinance amending Article 10A, Part III of the San Francisco Municipal Code by amending Sections 751, 752, 753, 755, 756, to increase the amount of the fee, effective December 1, 1997, and to eliminate the estimate of project costs, and adding Section 752.1 to make additional findings and deleting Section 758 which provided for payment of conversion costs to service suppliers required to collect the emergency response fee. (Mayor)
(Continued from 9/24/97.)

ACTION: Hearing held. AMENDED. RECOMMENDED AS AMENDED.
Amend page 10, line 14, after "Controller." by adding "However, under no circumstances shall total fee revenues exceed \$100,000,000".

5. File 101-97-10.1. [Reserved Funds, Dept. of Business & Economic Development] Hearing to consider release of reserve funds, Department of Business & Economic Development, in the total amount of \$569,307 (\$119,307 from permanent salaries for authorization of two positions, and \$450,000 for contractual services to provide security at the Treasure Island gate and the estimated costs to be incurred by the Police Department for providing enforcement services); companion measure to File 102-97-5. (Department of Business & Economic Development)

ACTION: Hearing held. RELEASE OF \$293,818 APPROVED. FILED.
(\$93,818 for permanent salaries, \$50,000 for Police Department and \$150,000 for TURF)

6. File 102-97-5. [Salary Ordinance, Dept. of Business and Economic Dev.] Ordinance amending Ordinance No. 307-97 (Annual Salary Ordinance, 1997/98), Department of Business and Economic Development, reflecting the creation of two (2) positions (Class 1371 Special Assistant XII and Class 1374 Special Assistant XV); companion measure to File 101-97-10. (Department of Human Resources)

ACTION: Hearing held. RECOMMENDED.

7. File 93-97-48. [Arbitrator's Award, Local 21] Ordinance implementing the provisions of an Arbitrator's Award dated May 17, 1997 resolving a grievance between the International Federation of Professional and Technical Engineers, AFL-CIO, Local 21 and the City and County of San Francisco and providing for the wages of employees assigned to work out of classification as Project Managers. (Department of Human Resources)

ACTION: Hearing held. RECOMMENDED.

8. File 100-97-1.2. [Reserved Funds, Department of Human Resources] Hearing to consider release of reserved funds, Department of Human Resources (Fiscal Year 1998-98 Budget), in the amount of \$376,000, to fund the contractual services of Ocean-Rock Advisors, to assist the department in conducting the functional requirements analysis, development of requests-for-proposals, and bid evaluation processes for acquisition of software and hardware for implementation of a citywide human resources information system. (Department of Human Resources)

ACTION: Hearing held. RELEASE OF \$168,750 APPROVED. FILED.
\$207,250 TO REMAIN ON RESERVE.

9. File 101-97-19. [Appropriation, Trial Courts] Ordinance appropriating \$1,122,757, Trial Courts, of Courthouse Construction Fund Balance, for other contractual services, professional services, equipment and capital improvement for fiscal year 1997-98. RO#97096 (Controller)

ACTION: Hearing held. AMENDED. RECOMMENDED AS AMENDED.
Amend title, line 3, after "98" by adding ", PLACING \$250,850 ON RESERVE; amend page 1, line 23, by adding a Section 2. to read as follows: "Section 2. Funds in the total amount of \$250,850 are hereby placed on reserve (\$175,850 for moving expenses, and \$75,000 for costs associated with conversion of the courthouse at 575 Polk Street), to be released by the Finance Committee. (See new title below.)

NEW TITLE: "Ordinance appropriating \$1,122,100, Trial Courts, of Courthouse Construction Fund Balance, for other contractual services, professional services, equipment and capital improvement for fiscal year 1997-98, placing \$250,850 on reserve. RO#97096 (Controller)"

10. File 101-95-69.3. [Reserved Funds, Municipal and Superior Courts] Hearing to consider release of reserved funds, Superior Court (Courts' Special Revenue Fund), in the amount of \$81,243, for various services and equipment in order to complete the construction of the new Civic Center Courthouse. (Municipal and Superior Courts)

ACTION: Hearing held. RELEASE OF \$81,243 APPROVED. FILED.

11. File 101-97-14. [Appropriation, S.F. Community College District] Ordinance appropriating \$35,000, San Francisco Community College District, from the General Fund Reserve for other professional services to allow the Community Health Service to provide HIV testing services, for fiscal year 1997-98. (Supervisors Ammiano, Teng, Brown, Bierman, Katz)
(Continued from 9/17/97.)

ACTION: Hearing held. CONSIDERATION CONTINUED TO THE CALL OF THE CHAIR.

12. File 28-97-7. [Emergency Repair, Auxiliary Water Supply System] Resolution authorizing the San Francisco Fire Department to take necessary measures to protect the health and safety of the citizens of San Francisco by performing the necessary work to repair the Auxiliary Water Supply System (AWSS) main break on Fifth Street near King Street; companion measure to File 101-95-61.7. (Fire Department)

ACTION: Hearing held. AMENDED. RECOMMENDED AS AMENDED.
Amend title, line 3, after "AUTHORIZING" by adding "RETROACTIVELY"; amend line 21, after "authorizes" by adding "retroactively". (See new title below.)

NEW TITLE: "Resolution authorizing retroactively the San Francisco Fire Department to take necessary measures to protect the health and safety of the citizens of San Francisco by performing the necessary work to repair the Auxiliary Water Supply System (AWSS) main break on Fifth Street near King Street; companion measure to File 101-95-61.7. (Fire Department)"

13. File 101-95-61.7. [Reserved Funds, Fire Department] Hearing to consider release of reserved funds, Fire Department (1986 Fire Protection Bond interest earnings), for emergency repair of the Auxiliary Water Supply System (AWSS) main break on Fifth Street near King Street; companion measure to File 28-97-7. (Fire Department)

ACTION: Hearing held. RELEASE OF \$72,994.45 APPROVED. FILED.

14. File 172-97-63. [Treasure Island, Rubicon Programs Contract] Resolution authorizing and approving a contract with Rubicon Programs Incorporated, a non-profit organization, for maintenance and landscaping services on the Naval Treasure Island without competitive bidding, consistent with Board of Supervisors Resolution No. 672-96, for a term of one year and fee of \$850,000; and finding that such services can be performed at a lesser expense than similar work performed by employees of the City and County of San Francisco. (Supervisor Yaki)

ACTION: Hearing 1 J. AMENDED. RECOMMENDED 1 AMENDED.
Amend title, line 2, after "APPROVING" by adding "RETROACTIVELY";
line 7, after "FRANCISCO" by adding ", SUBJECT TO CERTAIN
CONDITIONS"; amend page 3, line 3, after "hereby" by adding
"retroactively"; line 10, after "bidding" by replacing "." with "; and, be it";
line 11, by adding a further resolved clause to read as follows: "FURTHER
RESOLVED, That the approval of this contract is contingent on the Human
Rights Commission certification that Rubicon Programs Incorporated is in
compliance with the Equal Benefits Ordinance as contained in
Administrative Code Chapter 12B." (See new title below.)
NEW TITLE: Resolution authorizing and approving retroactively a
contract with Rubicon Programs Incorporated, a non-profit organization,
for maintenance and landscaping services on the Naval Treasure Island
without competitive bidding, consistent with Board of Supervisors
Resolution No. 672-96, for a term of one year and fee of \$850,000; and
finding that such services can be performed at a lesser expense than
similar work performed by employees of the City and County of San
Francisco, subject to certain conditions. (Supervisor Yaki)

LEGISLATION UNDER THE 30-DAY RULE

File No. 97-97-56. Affordable Housing Bond Program, Ordinance, (Supervisor Brown), 30 day Rule expires 10/15/97.

File No. 97-97-56.1. Affordable Housing Bond Program Regulations, Resolution, (Supervisor Brown), 30 day Rule expires 10/15/97.

Watch future calendars for scheduling of these matters.

VOTE ON ALL ITEMS WAS 3 - 0, FOR ENTIRE MEETING, EXCEPT FOR ITEM 8,
SUPERVISOR LEAL ABSENT.

Meeting Adjourned at 3:00 p.m.

DOCUMENTS DEPT.

SEP 30 1997

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CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

September 26, 1997

TO: Finance Committee
FROM: Budget Analyst *Recommendations for meeting of*
SUBJECT: *"*October 1, 1997 Finance Committee Meeting

Item 1 - File 56-97-6

Department: Board of Supervisors

Item: Motion amending the Rules of Order of the Board of Supervisors in order to specify duties and relationships for Legislative Analysts by adding Rule 6.21.

Description: During the FY 1997-98 budget, the Board of Supervisors approved the creation of four new positions, including a Chief Legislative Analyst and three Legislative Analysts. The proposed motion would add Rule 6.21 to the Board of Supervisors Rules of Order to specify the duties and relationships of the Chief Legislative Analyst and Legislative Analysts to the Board of Supervisors.

Mr. John Taylor, the Clerk of the Board of Supervisors, reports that an Amendment of the Whole will be presented at the October 1, 1997 Finance Committee meeting. The proposed amended motion states that the Clerk of the Board, after hearing the recommendations of the officials specified by the Annual Salary Ordinance (the Human Resources Director, the Controller and the Budget Analyst) will appoint one Chief Legislative Analyst and three

Legislative Analysts in Special Assistant classifications to analyze the following legislation:

1. Legislation which would create or revise major City policy as determined under the provisions of Board of Supervisors Rule of Order 5.40, which generally require a 30-day review period between introduction and committee consideration;
2. Legislation on the For Adoption Without Committee Reference Calendar and legislation on the Imperative Calendar which has not undergone the normal review which the Board of Supervisors committee process provides;
3. Additional legislation or issues at the request of any Committee Chair on items which have been referred to the Committee;
4. Additional legislation or issues as directed by motion of the Board of Supervisors which motion has been adopted after reference to committee;
5. Additional legislation or issues as directed by the Clerk of the Board.

According to the proposed motion, the Chief Legislative Analyst may determine that some issues have previously received sufficient analysis, as for example, in the case of Planning Department staff and Planning Commission review of rezoning ordinances. In these cases, the Chief Legislative Analyst would determine that such legislation would not need to be reviewed.

The proposed motion also states that the Chief Legislative Analyst and the three Legislative Analysts will work for the Board of Supervisors as a whole, and not for individual members of the Board. However, individual members of the Board may request informal advice or information from the Analysts.

Comment:

As contained in the FY 1997-98 Salary Ordinance, the Chief Legislative Analyst would be hired at the 1374 Special Assistant XV level at a 1997-98 annual salary ranging from \$69,426 at the low step to \$84,407 at the high step, as determined by the Clerk of the Board. In

Memo to Finance Committee
October 1, 1997 Finance Committee Meeting

accordance with the Annual Salary Ordinance, one of the Legislative Analysts would be hired at the 1371 Special Assistant XII level at a 1997-98 annual salary ranging from \$56,402 at the low step to \$68,565 at the high step and two of the Legislative Analysts would be hired at the 1367 Special Assistant VIII level at a 1997-98 annual salary ranging from \$42,047 at the low step to \$51,026 at the high step, as determined by the Clerk of the Board.

Recommendation:

Approval of the proposed motion is a policy matter for the Board of Supervisors.

Item 2 - File 98-97-1

1. The proposed hearing is to consider exercising the fourth and final option set forth in the agreement to provide Budget Analyst services between the Board of Supervisors and Stanton W. Jones and Associates (MBE)/Debra A. Newman (WBE)/Rodriguez, Perez, Delgado & Company, Certified Public Accountants (MBE)/Harvey M. Rose Accountancy Corporation, Certified Public Accountants/Mah & Louie, Certified Public Accountants (MBE), A Joint Venture, to extend the term of the agreement for two years from January 1, 1998 to December 31, 1999.

2. The Proposition J Controller's certification, which was previously approved by the Board of Supervisors is attached to this report. A copy of the proposed agreement is in the Clerk's file.

3. The total compensation for the five joint venture firms, as previously approved by the Board of Supervisors in the Fiscal Year 1997-98 budget is \$1,469,077.

4. To continue full implementation of the Board's Minority Business Enterprise (MBE), Women Business Enterprise (WBE) ordinance, the Budget Analyst services are provided under a Joint Venture Agreement between the Board of Supervisors and Stanton W. Jones and Associates (MBE)/Debra A. Newman (WBE)/Rodriguez, Perez, Delgado & Company Certified Public Accountants (MBE)/Harvey M. Rose Accountancy Corporation Certified Public Accountants/Mah & Louie, Certified Public Accountants (MBE). The three MBE firms and the one WBE firm are all registered with the Human Rights Commission. In accordance with the Board of Supervisors previously approved MBE/WBE Department Action Plan, 40 percent of the funding to provide Budget Analyst services under this contract is allocated to the four above-named MBE/WBE firms.

5. Mr. Brian Cheu of the Human Rights Commission has previously advised the Budget Analyst that all of the firms in the Joint Venture are in compliance with the Equal Benefits Ordinance, as contained in Administrative Code Section 12B.

6. During the FY 1997-98 budget deliberations, the Board of Supervisors established a reserve of \$51,900 to provide computer technology upgrades to the Budget Analyst's Office, pending the provision of additional detailed information. The Budget Analyst has submitted to the Clerk of the Board a request for release of the \$51,900 on reserve based on estimates of the cost to provide these technology upgrades. Based on the reserve established by the Board of Supervisors in the FY 1997-98 budget, we are requesting consideration by the Board of Supervisors for a contract modification of \$18,430 annually to cover (a) the costs of \$8,430 for the Department of Telecommunications and Information Services (DTIS) expenses to maintain connection to the City's WAN and (b) to permit for a modest contractual allowance of \$10,000 for ongoing replacement and maintenance costs.

7. If the Board of Supervisors decides to exercise the fourth and final option to extend the term of the Budget Analyst agreement for two years from January 1,

Memo to Finance Committee
October 1, 1997 Finance Committee Meeting

1998 to December 31, 1999, the Finance Committee should prepare in and report out a proposed motion to exercise the fourth option.



CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CONTROLLER

Edward Harrington
Controller

John W. Madd
Chief Assistant Controller

June 10, 1997

Honorable Board of Supervisors
Veteran's Building
401 Van Ness Avenue, Room 410
San Francisco, CA 94102

Attention: John Taylor,
Clerk of the Board

RE: Budget Analyst Services - FY 1997/98

Dear Mr. Taylor:

The cost information and supplementary data provided by your office on the proposed contract for budget analyst services for the Board of Supervisors has been reviewed by my staff.

If these services are provided at the proposed contract price, it appears they can be performed at a lower cost than if the work were performed by City employees at current salary and benefit levels. A statement of projected cost and estimated savings for Fiscal Year 1997-98 is attached for your review.

The requirements of Charter Section 10.104.15 relative to the Controller's findings that "work or services can be practically performed by private contract" have been satisfied. To complete the Charter requirements, it will be necessary for your department to secure approval of a resolution by the Board of Supervisors before entering into the private contractual arrangement.

Sincerely,

A handwritten signature in dark ink, appearing to read "Ed Harrington", written over a horizontal line.

Edward Harrington,
Controller

Enclosure

cc: Geoff Rothman, Employee Relations Division
Harvey Rose, Budget Analyst - Board of Supervisors

BOARD OF SUPERVISORS
BUDGET ANALYST SERVICES - FY 1997-98 (1)
COMPARATIVE COSTS OF CONTRACTING VS. IN-HOUSE SERVICES

ESTIMATED CITY COSTS:

Projected Personnel Costs	Class	Positions	BW Rate		Low	High
Budget Director (2)	1831	1.00	3,627	4,394	97,031	114,683
Assistant Budget Director	1892	1.00	2,815	3,406	75,308	88,897
Chief Associate Budget Analyst	A289	3.00	2,763	3,343	221,751	261,757
Principal Associate Budget Analyst	A245	2.00	2,609	3,158	139,595	164,848
Senior Associate Budget Analyst	1828	1.00	2,393	2,896	64,019	75,586
Associate Budget Analyst	1826	8.00	2,029	2,451	434,247	511,769
Confidential Secretary	1520	1.00	1,847	2,245	49,412	58,595
Secretary II	1446	1.00	1,319	1,598	35,273	41,695
Premium Pay					1,158	1,158
Overtime (3)					3,000	3,547
Total Salaries		18.00			1,120,794	1,322,533
Fringe Benefits						
Variable Fringes (4)					171,706	202,612
Fixed Fringes (5)					77,113	77,113
Total Fringe Benefits					248,818	279,725
Operating Costs					74,686	74,686
ESTIMATED TOTAL CITY COST					1,444,298	1,676,944
ESTIMATED CONTRACT COST					1,417,552	1,417,552
Current Contract Amount		1,375,596				
Estimated Compensation Adjustment (6)		41,956				
ESTIMATED DIFFERENCE					26,747	259,392

Comments/Assumptions:

1. These services have been contracted out since 1979.
2. While the projected salary of this class exceeds the Clerk of the Board, it has been calculated based upon a methodology which has been applied since the time of the initial contract.
3. The estimated contract costs assumes the base year level of services at 18 FTE without the overtime addition for MOU analysis.
4. Variable fringe benefits also include retirement pickup.
5. Fixed fringe benefits consist of health and dental rates plus an estimate of dependent coverage.
6. The current contract for budget analyst services includes a provision that the contract will be adjusted "based on the average annual percentage increase in total compensation granted through Salary Standardization or Collective Bargaining ... to miscellaneous employees of the City performing work similar to that provided by the Budget Analyst." The estimate for this provision is 3.05% based upon the salary and benefits increase for Local 21.

Item 3 - File 194-97-2.1

Department: City Attorney
Controller's Office

Item: Resolution to accept anti-tobacco advertising and education funds in the amount of \$10,000,000 made available in Mangini v. R.J. Reynolds Tobacco Company, et al. and distribute such funds according to the terms of a Settlement and Consolidation Agreement.

Amount: \$10,000,000

Source of Funds: Proceeds from a Settlement and Consolidation Agreement with the R.J. Reynolds Tobacco Company regarding Mangini v. R.J. Reynolds Tobacco Company, et al.

Description: On March 27, 1997 the City Attorney intervened in Mangini v. R.J. Reynolds Tobacco Company, et al., in the name of the People of the State of California, to enjoin practices related to the marketing of cigarettes targeted at minors through the Joe Camel advertising campaign and to seek civil penalties and restitution of profits. The City and County of San Francisco was joined by 13 other cities and counties as prosecutors.¹ Janet Mangini has agreed to settle her case and dismiss her action. However, San Francisco together with the 13 other cities and counties have not settled their claims in this case but have agreed to consolidate their claims in the Mangini action with their complaint in a related case, People et al. v. Philip Morris et al.

On September 9, 1997, a Settlement and Consolidation Agreement (Agreement) was reached with R.J. Reynolds Tobacco Co. (RJR). Pursuant to the Agreement, RJR will discontinue the Joe Camel Campaign, release documents relating to the campaign to the public, and pay \$10,000,000 to the City and County of San Francisco, serving as the lead litigator. Under the terms of the Agreement, of the total amount of \$10,000,000, \$1,000,000 would be used to compensate San Francisco and the 13 other California cities and counties which participated in the litigation for public attorney time spent on the litigation and \$9,000,000 would be used to finance education, enforcement and/or advertising

¹ The 13 other cities and counties are the City of Los Angeles and the City of San Jose, and the Counties of Alameda, Contra Costa, Marin, Riverside, Sacramento, San Bernardino, San Mateo, Santa Barbara, Santa Clara, Santa Cruz and Ventura.

Memo to Finance Committee
October 1, 1997 Finance Committee Meeting

campaigns by California cities and counties to discourage smoking by minors.

The total amount of \$10,000,000 would be distributed as follows:

Compensation for attorney time (see Comment 1)	\$1,000,000
Funds to be used for anti-tobacco education, enforcement and/or advertising campaigns:	
City and County of San Francisco	\$1,500,000
City of San Jose	1,500,000
City of Los Angeles	1,500,000
Distribution to 11 California counties in proportion to each county's allocation of Proposition 99 advertising funds (see Attachment)	2,500,000
Set aside for grants to other California cities and counties (see Comment 2)	<u>2,000,000</u>
Subtotal	<u>9,000,000</u>
Total	\$10,000,000

Comments:

1. \$1,000,000 would be used to compensate for attorney time expended by the City and County of San Francisco and the 13 other cities and counties which participated in the litigation. According to Ms. Elizabeth Laporte of the City Attorney's Office, costs accrued by San Francisco and each of the other 13 cities and counties are in the process of being tabulated. Ms. Laporte advises, however, that San Francisco, as the lead litigator, accrued the majority of legal costs and it is expected that all such costs incurred by the City Attorney's Office will be fully compensated. According to Ms. Laporte, it is estimated that San Francisco has expended over \$700,000 in connection with tobacco litigation.

2. Under the Agreement, the amount of \$2,000,000 is set aside for grants to be allocated among California cities and counties who were not directly involved in the litigation for youth anti-tobacco education, enforcement and/or advertising campaigns. According to Ms. Laporte, the City and County of San Francisco and the 13 other cities and counties involved in the litigation have not yet determined either the specifics of how these funds will be distributed or which cities and counties will be granted such funds. However, it is likely that a committee will be established for purposes of allocating the \$2,000,000, advises Ms. Laporte.

3. The Board of Supervisors previously approved a contract to retain two private law firms, Milberg Weiss Bershad

BOARD OF SUPERVISORS
BUDGET ANALYST

Hynes & Lerach and Leiff, Cabraser, Heimann & Bernstein, to provide services in connection with this litigation on a contingency basis. According to Ms. Laporte, payment to these firms will not be paid from the subject \$10,000,000 but instead will come from either a separate fund that may be established in the future by a national agreement between plaintiffs and the tobacco industry for attorney fees, or directly from RJR, to be decided by an arbitrator.

4. In summary, of the \$10,000,000 in proceeds from the R.J. Reynolds Tobacco Company, \$1,500,000 would be allocated to the City and County of San Francisco for anti-tobacco education, enforcement, and/or advertising campaigns and an estimated minimum of \$700,000 would be allocated to San Francisco for reimbursement of City Attorney expenses, for an estimated total of at least \$2,200,000.

5. According to Ms. Laporte, the estimated minimum of \$2,200,000 for the City and County of San Francisco will be subject to appropriation approval by the Board of Supervisors.

Recommendation: Approve the proposed resolution.

Allocation of \$2,500,000 Between Counties Based on Prop. 99 Advertising (H&S Code Sec. 104380)				
County	Prop. 99 Ad %	Allocation %	Total Funds	
Alameda	0.047427	0.189190	416,217.16	
Contra Costa	0.018032	0.071931	158,248.00	
Riverside	0.031828	0.126964	279,321.06	
Sacramento	0.032922	0.131328	288,921.95	
San Bernardino	0.037972	0.151473	333,240.52	
San Mateo	0.014582	0.058169	127,970.96	
Santa Clara	0.052450	0.209227	460,298.78	
Ventura	0.015472	0.061719	135,781.56	
Totals:	0.250685	1	2,200,000.00	
				Adjusted Total
Marin	0.009842	0.035640	89,098.84	100,000.00
Santa Barbara	0.007918	0.028672	71,681.02	100,000.00
Santa Cruz	0.007709	0.027916	69,788.96	100,000.00
	0.276154			2,500,000.00

Item 4 - File 127-97-1.1

Note: This item was continued by the Finance Committee at its meeting of September 24, 1997.

Department: Telecommunications and Information Services

Item: Ordinance amending Article 10A (Emergency Response Fee) of Part III of the San Francisco Municipal Code (Revenue and Finance) by (a) amending Sections 751, 752, 753, 755, and 756 to increase the amount of the Emergency Response Fee, effective December 1, 1997, and to eliminate the estimate of project costs; (b) adding Section 752.1 to make additional findings; and (c) deleting Section 758 which provided for payment of conversion costs to service suppliers required to collect the Emergency Response Fee.

Description: The Emergency Response Fee was approved by the Board of Supervisors in December of 1993 for the purpose of funding a portion of the E-(Enhanced) 911 Project costs. The purpose of the E-911 Project is to improve the City's emergency response capabilities by integrating the Enhanced Computer Aid Dispatch/Automated Information System (CAD/AIS), the 800 MHz Radio System, the data radio system, the Police Department Mobile Computing System, and the 911 telephone system. The Emergency Response Fee is currently imposed at a rate of \$.50 per month, per telephone access line, and \$2.50 per month, per trunk line (normally, for commercial users) and is charged to both eligible¹ commercial and residential lines in San Francisco.

The proposed ordinance would increase the Emergency Response Fee by 100 percent. The fee for each eligible telephone access line would increase from \$.50 to \$1.00 per month and the fee for each eligible trunk line would increase from \$2.50 to \$5.00 per month. In addition, whereas the existing legislation mandates that the total sum of Emergency Response Fees to be collected cannot exceed \$60,000,000, the proposed legislation includes no limitation on the amount which may be collected.

Mr. Mike Martin, the E-911 Project Manager, has developed the E-911 Project estimates shown in Attachment I. Based on those data, the cost estimate for the E-911 Project has increased by \$34,419,631, or by 26.1 percent, from \$131,951,192 in 1996 to \$166,370,823 currently. Mr. Martin has also provided in Attachment I a summary of the E-911

¹The Emergency Response Fee is not imposed on "exempt" telephone subscribers." "Exempt" subscribers include non-profit hospitals and educational organizations, lifeline customers, the City, and coin-operated telephones.

Memo to Finance Committee
October 1, 1997 Finance Committee Meeting

Project, the Project's current cost status, and an explanation for each of the cost increases and the reasons of each of the cost increases.

Attachment II, also provided by Mr. Martin, shows the sources and uses for the most recent E-911 Project cost estimate of \$166,370,823, and also for the \$74,746,543 he expects to expend on the Project in FY 1997-98. As noted in the Attachment II, the Emergency Response Fee revenues are estimated at \$99,599,057 to fund the E-911 Project. Other fee revenues totaling \$66,771,766, or \$166,370,823 less \$99,599,067, are as shown below:

<u>Source</u>	<u>Amount</u>
Prior General Fund Transfers	\$23,234,683
911 Fund Interest Earnings	5,153,371
Grants	4,880,000
General Fund	<u>33,503,712</u>
Total	\$66,771,766

The proposed ordinance would amend the existing Emergency Response Fee provisions as follows:

- Eliminates the definition of "Conversion Costs"² (The proposed legislation would delete the provision whereby a service supplier may submit a claim to the Controller to recover conversion costs from fee revenues, obviating the need for the definition.)
- Deletes the current ceiling of \$60,000,000 as the total amount that can be collected from telephone subscribers through the Emergency Response Fee. The proposed legislation includes no ceiling.
- Inserts as a Board of Supervisors finding the statement that the Board of Supervisors concludes that the most efficient and effective 911 communications system features a combined dispatch system for police, fire, and health.
- Deletes as a Board of Supervisors finding the statement that the Board of Supervisors estimates that \$67,153,821

² "Conversion Costs" are currently defined as costs incurred by a service supplier to make initial modifications to the supplier's billing system, prior to beginning collection of a fee such as the Emergency Response Fee, in order to collect a local charge imposed at a flat rate on a per access line basis, rather than as a percentage of charges for telephone service.

Memo to Finance Committee
October 1, 1997 Finance Committee Meeting

will be required to respond to the audit recommendations (made by the Office of Emergency Services following the 101 California incident) and to significantly improve the 911 communication system.

- Inserts as an additional finding the statement that "(a) Due to circumstances that were unforeseen when the Emergency Response Fee was originally adopted, projected Project Costs have increased. As a result, it is necessary to increase the amount of the Emergency Response Fee from \$.50 per access line and \$2.50 per trunk line to \$1.00 per access line and \$5.00 per trunk line. (b) The 800 MHz public safety radio system that is under development by the City will perform call dispatch functions that will be an essential element of the new 911 Communications System. As a result, some 800 MHz costs can be included in Project Costs for purposes of this Article."
- Provides that commencing in 1998, the maximum amount that any one single telephone subscriber, either residential or commercial, can be required to pay in Emergency Response Fees shall increase from the current \$10,000 per calendar year to \$20,000 per calendar year.
- Provides that access line³ and trunk line⁴ increases shall be effective December 1, 1997.
- Deletes the provision whereby a service supplier may submit a claim to the Controller to recover conversion costs from fee revenues.

Budget: See Attachment No I.

Comments: 1. The Board of Supervisors approved legislation in September of 1997, authorizing the execution and approval of a Citywide, 800 MHz Radio System Project Agreement between the City and Motorola Communications and Electronics, Inc. (Motorola). The 800 MHz Ratio System is a major component of the E-911 Project. The Board of

³An "access line" means any connection from a customer location to a provider of local telephone service offered to the public for compensation. Access lines include connections providing residential basic exchange service, business basic exchange service, PBX service (private branch exchange), foreign exchange service, and Centrex service.

⁴"Trunk line" service means access to local telephone service provided by means of a central office line to or from a private branch exchange or automatic call distributing system, or other similar service, at a telephone subscriber location.

Memo to Finance Committee
October 1, 1997 Finance Committee Meeting

Supervisors also approved the following three pieces of legislation that are dependent on monies that would be provided by the proposed increases to the Emergency Response Fee:

File 172-97-24: Resolution approving the project agreement between the Department of Telecommunications and Information Services and TRW, Inc., for the E-911 enhanced computer aided dispatch and automated information system;

File 101-97-8: Supplemental appropriation ordinance appropriating \$7,529,000 for the E-911 Project for FY 1997-98; placing \$4,500,000 on reserve; (on passage for second reading)

File 102-97-4: Ordinance amending the FY 1997-98 Annual Salary Ordinance to create seven new positions to provide staff for managing the E-911 Project (on passage for second reading)

With respect to File 101-97-8, \$4,500,000 was placed on reserve pending approval by the Board of Supervisors of this proposed subject legislation authorizing a 100 percent increase in the Emergency Response Fee.

2. Mr. Martin has stated that although the proposed legislation would eliminate the maximum amount of \$60,000,000 that could be collected from the Emergency Response Fee, the estimated maximum amount for such collection would be \$99,599,057, which is the amount shown in Attachment II as being the Emergency Response Fee source of the total project cost of \$166,370,823. However, under this proposed legislation, there is no limitation as to the total amount of revenues which could be charged by the City to San Francisco telephone subscribers, for purposes of funding the E-911 Project.

3. Mr. Martin has stated that if the proposed increase in the Emergency Response Fee is not implemented, and the estimated additional \$39,599,057 (\$99,599,057 less the current limit of \$60,000,000) is not then collected by the City, then the General Fund would probably be the revenue source for funding the \$39,599,057 for the required improvements to the E-911 System.

Memo to Finance Committee
October 1, 1997 Finance Committee Meeting

4. At its meeting of September 24, 1997 the Finance Committee requested that the proposed legislation be amended to include a dollar limitation on the total amount that could be collected from the Emergency Response Fee revenues. Mr. Martin advises that an amendment to effect such a limitation on the total amount that could be collected is currently being drafted, and that such amended legislation would be presented directly to the Finance Committee at its meeting of October 1, 1997.

Recommendation: The proposed ordinance is a policy matter for the Board of Supervisors.

E-911 Project

Summary:

Voters in June 1994 approved Proposition B which authorized funding for a new emergency communication center and in November 1993, voters approved Proposition H to fund a Citywide radio system. The center was to perform two primary functions: Serve as an E-911 dispatch center for all emergency functions, and operate as a command center in times of major emergencies. Emergency response functions include 911 call taking and dispatch for Police Fire and Ambulance services. The facility will also house the Mayor's Office of Emergency Services, Emergency Communications Center, and related support facilities for the Department of Telecommunications and Information Services. The E-911 Project can be loosely grouped into the following components:

- E-911: A new computer system that will aid in the dispatch of emergency personnel (Computer Aided Dispatch - CAD). New technology will also enhance record management and scheduling among many other things to generally improve the efficiency and effectiveness of the system (Automated Information Systems - AIS).
- Combined Emergency Communications Center (CECC): A facility at Turk and Laguna streets that will serve as the building where all E-911 functions would be housed and operate from.
- Telephone Call Delivery System: A new system that will connect callers to the 911 dispatch system.
- Miscellaneous "Support Systems": This is a collection of functions that includes critical items linking various parts of the project together. For example, Support Systems includes design and production of dispatch consoles, logging recorders, wiring for local area networks, upgraded fire alarm monitoring, mobile computing terminals etc.
- 800 MHz Citywide Radio System: The system will improve the speed and quality of the City's wireless communications.

Current Project Status

Since it was originally envisioned in 1994, the project has grown in both size and scope. In addition, technology changed and improved, particularly in the area of the wireless communications. In March 1997, the City hired a consultant to assess the impact of these changes on forecasted project budgets and scheduling. Based on an extensive review, the consultant made certain findings that have been reviewed and clarified by City staff. In the main, the consultant found the project budget had grown from \$131 million to \$167 million, and that the project would not be complete until November 1999, four months after the envisioned July 1999 completion date.

A detailed project budget, showing original estimates vs. current estimates is attached. The financial status of the various portions of the project are summarized below:

CURRENT BUDGET/ESTIMATE BREAKDOWN			
Project Area	Est. Project Cost 1996 \$(000)	Current Est. Project Cost	VARIANCE \$(000)
800 MHz Radio	58066	58066	0
Automated Information Systems (AIS)	10200	10818	-618
Computer-Aided Dispatch (CAD)	4500	20873	-16373
E-911 Project Management	4210	9926	-5716
CECC Facility	24273	25274	-1001
Communications/Telephony /Support Systems	11125	17207	-6082
Other Costs	19577	23156	-3579
Training		1050	-1050
TOTALS	131951	166370	-34419

Discussion:

As shown in the above table, a \$34.4 million shortfall exists between the project as it was originally envisioned, and the current budget. The major variances are as follows:

- Computer Aided Dispatch/Automated Information System: Initial estimates did not anticipate all end user requirements. For example, as originally envisioned, these computer systems did not include record management and scheduling.
- CECC Facility: The CECC Facility costs increased in the main because the facility is twenty-five percent larger than the facility that was originally envisioned, and because the cost of building materials has risen since original estimates were made.
- Project Management: Initial estimates of the project management costs did not make provisions for professional services to integrate the group of projects. Those costs have now been included.
- Project Contingency: Although the CECC construction and 800 Mhz components of this project have their own contingency, no provisions were made for an overall "Project Contingency." The revised budget includes a \$13.8 million Project Contingency (roughly 10 percent of the project cost, excluding the CECC and 800 Mhz project) intended to cover unanticipated changes in the project. The contingency costs are spread across the project.

- Financing: Overall financing costs for the project have risen, (identified above as "other costs") due to an increase in the amount of hardware equipment that will be financed with lease revenue bonds and an extension of repayment for the CECC bonds.

Commencement of construction for the Combined Emergency Command Center, which began June 23, 1997, requires that all phases of the E-911 project move forward expeditiously. To that end, various activities have been undertaken. Significantly, approval is being sought to increase the City's E-911 fee to close the \$34.4 million funding gap, which will solve the project's cash flow dilemma and reduce the project's General Fund liability. In addition, various organizational activities have been initiated.

Attachment II911 PROJECT SOURCES AND COSTS

Sources		Uses			
		Budget Name	Project Costs	Financing Costs	Total Costs
Prior Fiscal Year GF Transfers	23,234,683				
911 Fees (\$1 assumption)	99,699,067	Building	25,273,403		
911 Interest Earnings	5,163,371	AIS	10,817,752		
Grants	4,880,000				
GF Contributions to Deficits	33,603,712	CAD	20,872,899		
		Communications	17,207,422		
		Project Management	9,926,400		
		Community Mitigation	3,031,000		
Total	166,370,823	Total	87,128,876	20,126,847	107,264,723
		800 MHz Project			
		Budget Name			
		Radio Administration	8,416,100		
		Radio System	40,550,000		
		Total	48,966,100	9,100,000	68,066,100
		Total 911 Project Cost	136,084,876	29,226,847	165,320,823
		plus Training			1,060,000
					166,370,823

Fiscal Year 97-98 Uses and Sources

911 Project Sources		911 Project Costs	
911 Fee Funds	15,517,451	Building	19,773,000
General Fund	-	Communications	10,835,367
Bond Sales	54,349,092	AIS	2,248,000
Grants (COPS More, Fed)	4,880,000	CAD	10,171,676
		Community Mitigation	500,004
		800 MHz	31,218,498
Total	\$ 74,746,543	Total	\$ 74,746,543

September 30, 1997

Memo to Finance Committee

REVISED

October 1, 1997 Finance Committee Meeting

DOCUMENTS DEPT.

Items 5 and 6 - Files 101-97-10.1 and 102-97-5

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Department: Mayor's Treasure Island Project
Police Department

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Items: **Item 5, File 101-97-10.1** - Hearing to consider release of reserved funds in the amount of \$569,307 including \$119,307 for permanent salaries and \$450,000 for outside security services and Police Department security services.

Item 6, File 102-97-5 - Ordinance amending the FY 1996-97 Annual Salary Ordinance (ASO) reflecting the creation of two new positions in the Department of Business and Economic Development.

Amount: \$569,307

Source of Funds: Previously appropriated Neighborhood Development Special Revenue funds, which would be reimbursed by the United States Navy.

Description: Background

The U.S. Naval Station located on Treasure Island and Yerba Buena Island is scheduled for closure by the Federal Government on or about October 1, 1997. The Mayor's Office has been engaged in negotiations with the U.S. Navy in anticipation that the City will ultimately assume full ownership of the Naval Station.

On August 25, 1997, the Board of Supervisors approved a Cooperative Agreement (File 244-97-4) negotiated between the Navy and the City that commits the Navy to reimbursing the City for costs of up to \$4,000,000 for operating and maintaining the base for the one year period from October 1, 1997, to September 30, 1998. The Board also approved a supplemental appropriations ordinance (File 101-97-10) that appropriated \$4,000,000 from the Neighborhood Development Special Revenue Fund for the City to provide the services specified in the Cooperative Agreement, the costs for which are to be reimbursed by the Navy.

The previously approved supplemental appropriation ordinance (File 101-97-10) reserved funds in the amount of \$569,307, pending (1) submission of a companion amendment to the Annual Salary Ordinance (ASO) to create two new positions; and (2) submission of a detailed budget, including contractor cost information, regarding security services at the Naval Station.

BOARD OF SUPERVISORS
BUDGET ANALYST

Treasure Island Project Staff

The Board of Supervisors reserved \$119,307 in permanent salaries for one new 1371 Special Assistant XII and one new 1374 Special Assistant XV for the nine and one-half month period from September 15, 1997 through June 30, 1998. The proposed amendment to the ASO (File 102-97-5) would create the subject positions. The responsibilities of the subject positions are described in Attachment No. 1, provided by the Mayor's Treasure Island Project Office. As detailed in Attachment No. 1, the 1371 Special Assistant XII would serve as Finance/Budget Manager, and the 1374 Special Assistant XV would serve as Facilities Manager for the Treasure Island Project Office.

The following table provides a breakdown of the annual salaries for the two positions at Step 1 and Step 5.

<u>No. of Positions</u>	<u>Classi- fication</u>	<u>Title</u>	<u>Step 1 (Biweekly- Annual)</u>	<u>Step 5 (Biweekly- Annual)</u>
1	1371	Special Assistant XII	\$2,084 54,392	\$2,533 66,111
1	1374	Special Assistant XV	2,660 69,426	3,234 84,407

The total combined annual cost of the two positions would range from \$151,058 at Step 1, including salaries of \$123,818 and fringe benefits of \$27,240, to \$183,632 at Step 5, including salaries of \$150,518 and fringe benefits of \$33,114.

According to Mr. Larry Florin of the Mayor's Treasure Island Project Office, the Special Assistant XV position has already been filled at Step 3, at an annual salary of \$76,551. The new employee was hired September 22, 1997, with the salary being paid from the Treasure Island Project's Temporary Salaries funds pending approval of the requested release of reserved funds and amendment to the ASO. Mr. Florin reports that the Special Assistant XII position has not yet been filled but is expected to be filled at Step 1 on approximately October 1, 1997. Therefore, the requested release of reserved funds for permanent salaries can be reduced because the positions did not start on September 15, 1997, as originally anticipated, and because the Mayor's Treasure Island Project Office will fund the subject positions with budgeted Temporary Salary funds until the proposed release of reserve (File 101-97-10.1) and amendment to the Annual Salary Ordinance (File 102-97-5) are approved by the

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Finance Committee
October 1, 1997 Finance Committee Meeting

Board of Supervisors. A comparison of funding requested and funding required, assuming that the subject legislation is approved by the Board of Supervisors on October 13, 1997, is as follows:

<u>Classification</u>	<u>Pay Periods Required</u>	<u>Funding Requested</u>	<u>Funding Required</u>	<u>Amount to be Reduced</u>
1371 Spec. Asst. XII	18.7	\$53,139	\$38,971	\$14,168
1374 Spec. Asst. XV	18.7	<u>66,168</u>	<u>54,847</u>	<u>11,321</u>
Total		\$119,307	\$93,818	\$25,489

Therefore, the proposed release of reserve for permanent salaries should be reduced by \$25,489, to \$93,818.

Security Service and Services of the Police Department

Deputy Chief Richard Holder of the San Francisco Police Department (SFPD) advises that security services at the Naval Station will be provided by a combination of SFPD patrols and contracted security guards to staff the main gate on Treasure Island. The Board of Supervisors previously approved and released \$50,000 for the SFPD to commence patrol activities (File 101-97-10). However, an additional \$450,000 was reserved, pending submission of a detailed budget, including contractor cost information, regarding security services at the Naval Station. Deputy Chief Holder states that this \$500,000 (\$50,000 released plus \$450,000 reserved) represents the total funding for security services authorized for reimbursement by the Navy. See section on SFPD Security Services, below, for a discussion of the full costs that the SFPD estimates will be incurred by the City for provision of security services at the Naval Station during the first year of operation of the Naval Station by the City. The SFPD and the Treasure Island Project Office are now requesting release of \$150,000 for contractor security services and \$300,000 for SFPD security services, for a total of the full \$450,000 that is reserved for security services.

Contractor Security Services

The proposed release of reserve would provide \$150,000 to fund a contract with Together United Recommitted Forever (TURF), acting through the Real Alternatives Program (RAP) as fiscal agent, to provide 24-hour security guards at the main gate on Treasure Island. Deputy Chief Holder states that both TURF and RAP are non-profit community-based organizations. Deputy Chief Holder states that TURF was

selected on a sole-source basis, in order to provide jobs for inner city residents. (See Comment No. 2.)

Deputy Chief Holder states that TURF will pay the security guards \$10/hour, a rate arrived at by the SFPD by surveying other City departments' costs for paying private security guards. Capt. Tim Hettrich of the SFPD states that one security guard will staff the gate 24 hours a day, 365 days a year, which is roughly equivalent to nine part time employees, at an annual cost of \$150,000. The \$150,000 total would include \$87,600 in salary costs, \$10,255 in health benefit costs and \$52,145 in other expenses. Attachment No. 2, provided by Capt. Hettrich on September 30, 1997, is a revised budget for the \$150,000 cost of the proposed one year MOU with TURF and RAP for gate security.

SFPD Security Services

The SFPD assumed sole responsibility for policing Treasure Island and Yerba Buena Island on September 21, 1997, ending transitional joint patrols with the Military Police. According to Capt. Hettrich, the SFPD requires 24 full-time officers to maintain the necessary level of patrol on the islands. Captain Hettrich states that the SFPD estimates that the total annual cost of patrolling Treasure Island and Yerba Buena Island will be \$1,565,432 at current wage and benefit levels. Therefore, because only \$500,000 would be reimbursed by the Navy for security services under the City's Cooperative Agreement with the Navy, such funds will only partially cover the first year costs of such security services.

Capt. Hettrich reports that the \$300,000 in SFPD funding proposed for release from this subject reserve, in addition to the \$50,000 previously released by the Board of Supervisors, for a total of \$350,000 for the SFPD, would be allocated to help defray the cost of patrolling Treasure Island and Yerba Buena Island. According to Capt. Hettrich, the remaining \$1,215,432 (annual cost of \$1,565,432 less \$350,000) necessary to pay patrol costs from October 1, 1997 through September 30, 1998 will be absorbed by the SFPD's FY 1997-98 and FY 1998-99 budgets. Attachment No. 3, provided by the SFPD, shows the budget for the full estimated \$1,565,432 first year cost of patrolling the Naval Station. The proposed \$300,000 release of reserve for the SFPD is included in that budget. (See Comment No. 3.)

Comments:

1. As previously noted, salary expenditures for the two positions which would be authorized by the proposed amendment to the ASO would result in a total FY 1997-98 cost of \$93,818 or \$25,489 less than the amount requested.

BOARD OF SUPERVISORS **BUDGET ANALYST**

2. Deputy Chief Holder advises that the City currently has two successful contracts for security services with TURF and RAP, administered by MUNI and the San Francisco Housing Authority (SFHA). As described above, the SFPD proposed to contract with TURF on a sole source basis, in order to provide jobs to inner city residents.

According to Capt. Hettrich, the draft MOU between the SFPD and RAP, the fiscal agent for the TURF gate security contract, has been revised since the Budget Analyst's initial report on this item. As shown in Attachment No. 2, the proposed MOU would include health benefits in the amount of \$10,255 for qualified employees, administrative overhead in the amount of \$15,907 for the fiscal agent, and a contingency fund of \$20,470 for additional health benefits should additional TURF employees qualify by working at least 24 hours per week.

3. As described above, Captain Hettrich estimates that the SFPD will have to absorb personnel costs of \$1,215,432 for patrol services at the Naval Station within its FY 1997-98 and FY 1998-99 budgets. Deputy Chief Holder states that the SFPD does not plan to hire new staff to perform this function because funds have not been budgeted for this purpose. Instead, Capt. Hettrich advises that 24 full time Special Operations Police Officers, including members of the canine, tactical and motorcycle units, will be assigned responsibility for SFPD security services on Treasure Island and Yerba Buena Island. Previously, the SFPD had advised the Budget Analyst that Police Officers would be reassigned from District Stations.

- Recommendations:**
1. In accordance with Comment No. 1 above, reduce the proposed release of reserved funds (File 101-97-10.1) by \$25,489, from \$569,307 to \$543,818.
 2. Release the balance of \$543,818, including \$93,818 for permanent salaries and \$450,000 for Treasure Island contract security services and SFPD security services.
 3. Approve the proposed ordinance amending the Annual Salary Ordinance (File 102-97-5).

OFFICE OF THE MAYOR
SAN FRANCISCO



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FAX (415) 274-0299

LARRY FLORIN, DIRECTOR
WENDY LINKA, DIRECTOR OF MARKETING
CHRISTINE TEJADA, DIRECTOR OF DEVELOPMENT

Date: September 18, 1997
To: Harvey Rose
Budget Analyst
From: Larry Florin
Re: New positions

The two new positions to be discussed before the Finance Committee meeting of October 1, 1997 are:

Special Assistant XII

Finance/Budget Manager (Mayor's Treasure Island Project Office)

Responsibilities:

Prepare and manage the Treasure Island Project Office budget. Establish financial procedures for tracking expenditures and revenues. Establish capital expenditure budgets and evaluate and implement financing tools for creating capital expenditure funds. Models under consideration include creating tax increment bonds, assessment districts and other financing methods for capital expenditures. Assist and help organize special events on Treasure Island, including establishing procedures and monitoring calendar.

Special Assistant XV

Facilities Manager (Mayor's Treasure Island Project Office)

Responsibilities:

Manage the facilities and buildings on Treasure Island as a closed military base. Responsibilities include: managing \$4 million service contracts with city departments and private contractors, managing tenants which include film production facilities, restaurants, convention facilities and offices, coordinating with leasing and property development unit of project team, planning infrastructure improvements, and facilities upgrades as necessary.

Cc: Billy Blattner

Attachment 2**BUDGET FOR TURF TO STAFF PUBLIC SAFETY
POSITIONS AT TREASURE ISLAND GATE**

October 1, 1997, through September 30, 1998

1 position staffed 24 hours per day	\$ 87,600
Health benefits for 9 employees* @ \$94.95/month	10,255
Employer's taxes @ 18%	15,768
Sub-Total	<u>\$113,623</u>
Administrative Overhead @ 14%	15,907
TOTAL^	<u>\$129,530</u>

The Police Department assumes that only one position at the TI gate will need to be staffed at any time. Sector (radio) cars will be available to supplement the gate position when traffic volume becomes heavy (absent the need to respond to emergency calls).

* Additional employees may be added at RAP's discretion, but employees must work a minimum of 24 hours per week during their employment to qualify for FULL benefits.

^ Though the Total shows an expenditure of \$129,530, the Police Department will fund up to a ceiling of \$150,000, with the expectation that the additional \$20,470 will fund health benefits for additional qualified applicants.



POLICE DEPARTMENT
CITY AND COUNTY OF SAN FRANCISCO
THOMAS J. CAHILL HALL OF JUSTICE
850 BRYANT STREET
SAN FRANCISCO, CALIFORNIA 94103

FRED H. LAU
CHIEF OF POLICE

Mr. Harvey Rose
Budget Analyst for the Board of Supervisors
1390 Market St. Room 1025

Mr. Rose,

The following information was requested by Mr. Blatner of your office regarding the expenditure of funds being held in reserve that will be used by the Police Department for patrolling Treasure and Yerba Buena Islands.

The security and safety of the property and the citizens on Treasure Island and Yerba Buena Island will be performed by the San Francisco Police Department utilizing two different strategies.

The first strategy involves the gate security on Treasure Island. As you know for years Treasure Island ingress and egress was controlled at a checkpoint staffed by uniformed military personnel of the United States Navy. This proved very effective and because of its effectiveness and the desires of the Treasure Island Task Force this will continue but be the responsibility of the San Francisco Police Department. Realizing that the assigning of a uniformed Officer twenty four hours a day to a fixed post/guard shack would not be effective, the Police Department will employ individuals from the community based group TURF to fill this position. In order for this coverage to be twenty four hours a day it will require that twelve members from TURF be hired and supervised by the Police Department. The yearly cost in salaries will be \$249,600.00. There will also be a start up cost for training of \$2,991.00. The total cost of gate security will therefore be \$252,591.00.

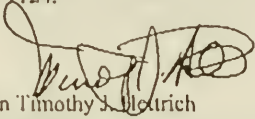
The second strategy for the security and patrol on Treasure and Yerba Buena Islands involves uniformed San Francisco Police Officers on mobile patrol twenty four hours a day. In order to provide adequate patrol coverage and ensure the safety and well being of the assigned Officers twenty one Officers and three supervisors need to be assigned to the Treasure Island/Yerba Buena Island "beat". The yearly cost in salaries and benefits for this patrol will be \$1,347,634.00. Additional costs will be incurred as follows. Two patrol vehicles will need to be allocated for the patrol on the Islands at a cost of \$68,000.00. Nine portable radios must be allocated at a cost of \$25,200.00.

Over the past month the San Francisco Police Department has been patrolling the Islands in conjunction with the Military Police. This transition period had a cost of \$124,598.00.

The total cost for the Police services on Treasure Island and Yerba Island are \$1,565,432.

Presently \$500,000.00 has been allocated and held in reserve by the Board of Supervisors. Of the \$500,000 the sum of \$252,591.00 will be used to pay individuals from TURF, \$50,000.00 has already been appropriated and the remaining \$197,409.00 will be placed in accounts 3120-4110 and 3120-4120 to offset the \$1,317,023.00 remaining costs for patrolling the two Islands.

Thank you for your cooperation and assistance with this undertaking. If any further information is needed I can be contacted at 553-1124.



Captain Timothy J. Dietrich
Planning Division
San Francisco Police Department

Treasure Island Patrol Costs

Training and Start Up (9/1/97 - 9/30/97)

<u>Account</u>	<u>Item</u>	<u>Amount</u>
3110-4110	Training costs for # new police officers	-0-
3110-5109	Safety equipment and protective vests	-0-
3110-7302	2 fully equipped patrol vehicles @ \$34,000	\$68,000
3110-7302	9 portable radios @ \$2,800	25,200

Transition Period (1 month)

<u>Account</u>	<u>Item</u>	<u>Amount</u>
3120-4110	Salary for 24 full time police officers	\$103,832
3120-4900	Benefits	20,766
	Overhead (% of salary)	

Operational Period (12 months)

<u>Account</u>	<u>Item</u>	<u>Amount</u>
3120-4110	Salary for 24 full time police officers	\$1,068,795
3120-4120	Overtime	65,085
3120-4900	Benefits	213,754
	Overhead (% of salary)	

Total		\$1,565,432
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Items 5 and 6 - Files 101-97-10.1 and 102-97-5

Department: Mayor's Treasure Island Project
Police Department

Items: **Item 5, File 101-97-10.1** - Hearing to consider release of reserved funds in the amount of \$569,307 including \$119,307 for permanent salaries and \$450,000 for outside security services and Police Department security services.

Item 6, File 102-97-5 - Ordinance amending the FY 1996-97 Annual Salary Ordinance (ASO) reflecting the creation of two new positions in the Department of Business and Economic Development.

Amount: \$569,307

Source of Funds: Previously appropriated Neighborhood Development Special Revenue funds, which would be reimbursed by the United States Navy.

Description: Background

The U.S. Naval Station located on Treasure Island and Yerba Buena Island is scheduled for closure by the Federal Government on or about October 1, 1997. The Mayor's Office has been engaged in negotiations with the U.S. Navy in anticipation that the City will ultimately assume full ownership of the Naval Station.

On August 25, 1997, the Board of Supervisors approved a Cooperative Agreement (File 244-97-4) negotiated between the Navy and the City that commits the Navy to reimbursing the City for costs of up to \$4,000,000 for operating and maintaining the base for the one year period from October 1, 1997, to September 30, 1998. The Board also approved a supplemental appropriations ordinance (File 101-97-10) that appropriated \$4,000,000 from the Neighborhood Development Special Revenue Fund for the City to provide the services specified in the Cooperative Agreement, the costs for which are to be reimbursed by the Navy.

The previously approved supplemental appropriation ordinance (File 101-97-10) reserved funds in the amount of \$569,307, pending (1) submission of a companion amendment to the Annual Salary Ordinance (ASO) to create two new positions; and (2) submission of a detailed budget, including contractor cost information, regarding security services at the Naval Station.

Treasure Island Project Staff

The Board of Supervisors reserved \$119,307 in permanent salaries for one new 1371 Special Assistant XII and one new 1374 Special Assistant XV for the nine and one-half month period from September 15, 1997 through June 30, 1998. The proposed amendment to the ASO (File 102-97-5) would create the subject positions. The responsibilities of the subject positions are described in Attachment No. 1, provided by the Mayor's Treasure Island Project Office. As detailed in Attachment No. 1, the 1371 Special Assistant XII would serve as Finance/Budget Manager, and the 1374 Special Assistant XV would serve as Facilities Manager for the Treasure Island Project Office.

The following table provides a breakdown of the annual salaries for the two positions at Step 1 and Step 5.

<u>No. of Positions</u>	<u>Classi- fication</u>	<u>Title</u>	<u>Step 1 (Biweekly- Annual)</u>	<u>Step 5 (Biweekly- Annual)</u>
1	1371	Special Assistant XII	\$2,084 54,392	\$2,533 66,111
1	1374	Special Assistant XV	2,660 69,426	3,234 84,407

The total combined annual cost of the two positions would range from \$151,058 at Step 1, including salaries of \$123,818 and fringe benefits of \$27,240, to \$183,632 at Step 5, including salaries of \$150,518 and fringe benefits of \$33,114.

According to Mr. Larry Florin of the Mayor's Treasure Island Project Office, the Special Assistant XV position has already been filled at Step 5, at an annual salary of \$84,407. The new employee was hired September 22, 1997, with the salary being paid from the Treasure Island Project's Temporary Salaries funds pending approval of the requested release of reserved funds and amendment to the ASO. Mr. Florin reports that the Special Assistant XII position has not yet been filled but is expected to be filled at Step 5 on approximately October 1, 1997. Therefore, the requested release of reserved funds for permanent salaries can be reduced because the positions did not start on September 15, 1997, as originally anticipated, and because the Mayor's Treasure Island Project Office will fund the subject positions with budgeted Temporary Salary funds until the proposed release of reserve (File 101-97-10.1) and amendment to the Annual Salary Ordinance (File 102-97-5) are approved by the

Board of Supervisors. A comparison of funding requested and funding required, assuming that the subject legislation is approved by the Board of Supervisors on October 13, 1997, is as follows:

<u>Classification</u>	<u>Pay Periods Required</u>	<u>Funding Requested</u>	<u>Funding Required</u>	<u>Amount to be Reduced</u>
1371 Spec. Asst. XII	18.7	\$53,139	\$47,367	\$5,772
1374 Spec. Asst. XV	18.7	<u>66,168</u>	<u>60,476</u>	<u>5,692</u>
Total		\$119,307	\$107,843	\$11,464

Therefore, the proposed release of reserve for permanent salaries should be reduced by \$11,464, to \$107,843.

Security Service and Services of the Police Department

Deputy Chief Richard Holder of the San Francisco Police Department (SFPD) advises that security services at the Naval Station will be provided by a combination of SFPD patrols and contracted security guards to staff the main gate on Treasure Island. The Board of Supervisors previously approved and released \$50,000 for the SFPD to commence patrol activities (File 101-97-10). However, an additional \$450,000 was reserved, pending submission of a detailed budget, including contractor cost information, regarding security services at the Naval Station. Deputy Chief Holder states that this \$500,000 (\$50,000 released plus \$450,000 reserved) represents the total funding for security services authorized for reimbursement by the Navy. See section on SFPD Security Services, below, for a discussion of the full costs that the SFPD estimates will be incurred by the City for provision of security services at the Naval Station during the first year of operation of the Naval Station by the City. The SFPD and the Treasure Island Project Office are now requesting release of \$252,591 for contractor security services and \$197,409 for SFPD security services, for a total of the full \$450,000 that is reserved for security services.

Contractor Security Services

The proposed release of reserve would provide \$252,591 to fund a contract with Together United Recommitted Forever (TURF), acting through the Real Alternatives Program (RAP) as fiscal agent, to provide 24-hour security guards at the main gate on Treasure Island. Deputy Chief Holder states that both TURF and RAP are non-profit community-based organizations. Deputy Chief Holder states that TURF was

selected on a sole-source basis, in order to provide jobs for inner city residents. (See Comment No. 2.)

Deputy Chief Holder advises that 12 security guards have been hired by TURF and are currently receiving training at a cost of \$2,991. Deputy Chief Holder states that TURF will pay the security guards \$10/hour, a rate arrived at by the SFPD by surveying other City departments' costs for paying private security guards. Deputy Chief Holder states that 2 security guards at a time will staff the gate 24 hours a day, 365 days a year, bringing the total annual salary cost to \$249,600 (12 security guards @ \$10/hour x 2080 hours/year). Attachment No. 2, provided by Deputy Chief Holder, is a budget for the \$252,591 cost of the one year MOU with TURF for gate security.

SFPD Security Services

SFPD assumed sole responsibility for policing Treasure Island and Yerba Buena Island on September 21, 1997, ending transitional joint patrols with the Military Police. According to Capt. Tim Hettrich of the SFPD, the SFPD requires 24 full-time officers to maintain the necessary level of patrol on the islands. Captain Hettrich states that the SFPD estimates that the total annual cost of patrolling Treasure Island and Yerba Buena Island will be \$1,565,432 at current wage and benefit levels. Therefore, because only \$500,000 would be reimbursed by the Navy for security services under the City's Cooperative Agreement with the Navy, such funds will only partially cover the first year costs of such security services.

Capt. Hettrich reports that the \$197,409 in SFPD funding proposed for release from this subject reserve, in addition to the \$50,000 previously released by the Board of Supervisors, for a total of \$247,409 for the SFPD, would be allocated to help defray the cost of patrolling Treasure Island and Yerba Buena Island. According to Capt. Hettrich, the remaining \$1,318,023 (annual cost of \$1,565,432 less \$247,409) necessary to pay patrol costs from October 1, 1997 through September 30, 1998 will be absorbed by the SFPD's FY 1997-98 and FY 1998-99 budgets. Attachment No. 3, provided by the SFPD, shows the budget for the full estimated \$1,565,432 first year cost of patrolling the Naval Station. The proposed \$197,409 release of reserve for the SFPD is included in that budget. (See Comment No. 3.)

Comments:

1. As previously noted, salary expenditures for the two positions which would be authorized by the proposed

amendment to the ASO would result in a total FY 1997-98 cost of \$107,843 or \$11,464 less than the amount requested.

2. Deputy Chief Holder advises that the City currently has two successful contracts for security services with TURF, administered by MUNI and the San Francisco Housing Authority (SFHA). As described above, the SFPD proposed to contract with TURF on a sole source basis, in order to provide jobs to inner city residents.

As of the writing of this report the SFPD had not finalized its agreement with TURF or with RAP, the fiscal agent for the contract. According to Deputy Chief Holder, outstanding issues include the provision of fringe benefits to the security guards hired by TURF, as well as funding for administrative costs, neither of which has been included in the budget. However, Deputy Chief Holder advises that the SFPD expects to be able to provide complete contract information for contractor security services to the Finance Committee at its meeting of October 1, 1997.

3. As described above, Captain Hettrich estimates that the SFPD will have to absorb personnel costs of \$1,318,023 for patrol services at the Naval Station. Deputy Chief Holder states that the SFPD does not plan to hire new staff to perform this function because funds have not been budgeted for this purpose. Instead, Deputy Chief Holder advises that 24 full time Police Officers will be reassigned from district stations to provide the necessary security services. Deputy Chief Holder states that this reassignment will have a significant effect on police services at district stations.

- Recommendations:**
1. In accordance with Comment No. 1 above, reduce the proposed release of reserved funds (File 101-97-10.1) by \$11,464, from \$569,307 to \$557,843.
 2. In accordance with Comment No. 2 above, release funds of \$252,591 for contractor security services, provided that the SFPD submits details, including the handling of fringe benefits and administrative costs of the contract, to the Finance Committee at its meeting of October 1, 1997.
 3. Release the balance of \$305,252, including \$107,843 for permanent salaries and \$197,409 for SFPD security services.
 4. Approve the proposed ordinance amending the Annual Salary Ordinance (File 102-97-5).

OFFICE OF THE MAYOR
SAN FRANCISCO

WILLIE LEWIS BROWN, JR.

TREASURE ISLAND PROJECT
410 PALM AVENUE
BUILDING 1, ROOM 237
TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660
FAX (415) 274-0299LARRY FLORIN, DIRECTOR
WENDY LINKA, DIRECTOR OF MARKETING
CHRISTINE TEJADA, DIRECTOR OF DEVELOPMENT

Date: September 18, 1997

To: Harvey Rose
Budget Analyst

From: Larry Florin

Re: New positions

The two new positions to be discussed before the Finance Committee meeting of October 1, 1997 are:

Special Assistant XIIFinance/Budget Manager (Mayor's Treasure Island Project Office)

Responsibilities:

Prepare and manage the Treasure Island Project Office budget. Establish financial procedures for tracking expenditures and revenues. Establish capital expenditure budgets and evaluate and implement financing tools for creating capital expenditure funds. Models under consideration include creating tax increment bonds, assessment districts and other financing methods for capital expenditures. Assist and help organize special events on Treasure Island, including establishing procedures and monitoring calendar.

Special Assistant XVFacilities Manager (Mayor's Treasure Island Project Office)

Responsibilities:

Manage the facilities and buildings on Treasure Island as a closed military base. Responsibilities include: managing \$4 million service contracts with city departments and private contractors, managing tenants which include film production facilities, restaurants, convention facilities and offices, coordinating with leasing and property development unit of project team, planning infrastructure improvements, and facilities upgrades as necessary.

Cc: Billy Blattner

Treasure Island Fixed Post Security CostsTraining and Start up (9/23/97 - 9/30/97)

<u>Account</u>	<u>Item</u>	<u>Amount</u>
Unknown	Training Cost for New Security Guards	\$ 2,990.80
Unknown	Uniforms	Provided
Unknown	Safety Equipment	Provided
Unknown	Portable Radios	Provided
Unknown	Guard Post Phones	Provided
Unknown	Office Equipment	Provided

Operational Period (12 Months)

<u>Account</u>	<u>Item</u>	<u>Amount</u>
Unknown	Salary for 12 Full Time Security Guards Provided by T.U.R. F. At \$10.00 per hr., 2080 hrs. per year	\$249,600.00
TOTAL:		\$252,590.80



FRED H. LAU
CHIEF OF POLICE

POLICE DEPARTMENT
CITY AND COUNTY OF SAN FRANCISCO
THOMAS J. CAHILL HALL OF JUSTICE
850 BRYANT STREET
SAN FRANCISCO, CALIFORNIA 94103

Attachment
Page 1 of 3

Mr. Harvey Rose
Budget Analyst for the Board of Supervisors
1390 Market St. Room 1025

Mr. Rose,

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The security and safety of the property and the citizens on Treasure Island and Yerba Buena Island will be performed by the San Francisco Police Department utilizing two different strategies.

The first strategy involves the gate security on Treasure Island. As you know for years Treasure Island ingress and egress was controlled at a checkpoint staffed by uniformed military personnel of the United States Navy. This proved very effective and because of its effectiveness and the desires of the Treasure Island Task Force this will continue but be the responsibility of the San Francisco Police Department. Realizing that the assigning of a uniformed Officer twenty four hours a day to a fixed post/guard shack would not be effective, the Police Department will employ individuals from the community based group TURF to fill this position. In order for this coverage to be twenty four hours a day it will require that twelve members from TURF be hired and supervised by the Police Department. The yearly cost in salaries will be \$249,600.00. There will also be a start up cost for training of \$2,991.00. The total cost of gate security will therefore be \$252,591.00.

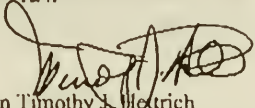
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Over the past month the San Francisco Police Department has been patrolling the Islands in conjunction with the Military Police. This transition period had a cost of \$124,598.00.

The total cost for the Police services on Treasure Island and Yerba Island are \$1,565,432.

Presently \$500,000.00 has been allocated and held in reserve by the Board of Supervisors. Of the \$500,000 the sum of \$252,591.00 will be used to pay individuals from TURF, \$50,000.00 has already been appropriated and the remaining \$197,409.00 will be placed in accounts 3120-4110 and 3120-4120 to offset the \$1,317,023.00 remaining costs for patrolling the two Islands.

Thank you for your cooperation and assistance with this undertaking. If any further information is needed I can be contacted at 553-1124.



Captain Timothy J. Meltrich
Planning Division
San Francisco Police Department

Treasure Island Patrol Costs

Training and Start Up (9/1/97 - 9/30/97)

<u>Account</u>	<u>Item</u>	<u>Amount</u>
3110-4110	Training costs for # new police officers	-0-
3110-5109	Safety equipment and protective vests	-0-
3110-7302	2 fully equipped patrol vehicles @ \$34,000	\$68,000
3110-7302	9 portable radios @ \$2,800	25,200

Transition Period (1 month)

<u>Account</u>	<u>Item</u>	<u>Amount</u>
3120-4110	Salary for 24 full time police officers	\$103,832
3120-4900	Benefits	20,766
	Overhead (% of salary)	

Operational Period (12 months)

<u>Account</u>	<u>Item</u>	<u>Amount</u>
3120-4110	Salary for 24 full time police officers	\$1,068,795
3120-4120	Overtime	65,085
3120-4900	Benefits	213,754
	Overhead (% of salary)	
Total		\$1,565,432

Item 7 - File 93-97-48

- Department:** Department of Human Resources (HRD)
- Item:** Ordinance implementing the provisions of an arbitrator's award dated May 17, 1997 resolving a grievance between the International Federation of Professional and Technical Engineers, AFL-CIO, Local 21 and the City and County of San Francisco and providing for the retroactive wage increases of employees assigned to work out of classification as Project Managers.
- Description:** This arbitration arose pursuant to the Memorandum of Understanding (MOU) between the International Federation of Professional and Technical Engineers, Local 21, AFL-CIO and the City.
- In the Fall of 1985, the Civil Service Commission established a classification series for project managers in order to allow appointing officers the flexibility of temporarily assigning to the project manager classification an employee who possessed the necessary skills for a particular project or to permit temporary exempt appointments, if no current employee met the requirements. The four project manager classifications created were 5502-Project Manager I, 5504-Project Manager II, 5506-Project Manager III and 5508-Project Manager IV and these classifications were incorporated in to the Salary Standardization Ordinance. Those City departments that used the project manager assignments are the Department of Public Works (DPW), the Public Utilities Commission (PUC) and the Airport.
- The Civil Service Commission placed the project manager position assignments under the umbrella of the engineers' classification, which are represented by Local 21, although not all of the specific project manager classifications were represented by Local 21. Approximately 85 percent of the employees who were assigned to these temporary project manager position assignments were members of Local 21. Due to the way salary changes were made between 1985 and 1995, the salaries of the project managers and Local 21 members moved in equal increments for these ten years.
- In October of 1995, Local 21 members received the first collective bargaining wage increase since the passage of Charter Section 8.409, which provided for collective bargaining between the City and the union. However, while the wages increased for Local 21 members, the project managers wage rate did not increase. As a result, Local 21

Memo to Finance Committee
October 1, 1997 Finance Committee Meeting

engaged in discussions with the City regarding the project manager's pay, and eventually moved the dispute to arbitration in late 1996.

On December 11, 1996, January 15, 1997 and March 20, 1997, the arbitration between the City and Local 21 regarding project manager wage rates was heard by the arbitrator, Mr. William E. Riker. On May 17, 1997, the arbitrator decided in favor of Local 21 by stating that the City violated the negotiated agreement when it refused to apply the same percentage wage increases to the project manager assignments that the other employee classifications covered by Local 21 received. The proposed ordinance would implement the provisions of the arbitrator's award to resolve the grievance between Local 21 and the City and provide for the wage increases retroactive for the period between October 1, 1995 through December 28, 1996 for employees temporarily assigned to the project manager classification.

Comments:

1. In accordance with the arbitrator's award, the project manager classifications were to be paid the following wage increases:

<u>Effective Date</u>	<u>Amount of Increase</u>
October 1, 1995	1%
February 1, 1996	1%
July 1, 1996	2%
December 28, 1996	1.5%
Subtotal	5.5%

2. As shown in the Attachment, the Controller's Office reports that approval of the proposed ordinance would affect approximately 33 employees and result in a maximum cost of \$81,861 for the retroactive wage and fringe benefit increases. The Budget Analyst concurs with the Controller's report.

3. As noted in the Attachment, the Controller's Office is not aware of a specific funding source to pay for this award. According to Mr. John Madden of the Controller's Office, the Salary and Benefits Reserve of \$10,270,206 approved in the FY 1997-98 budget was established to cover the General Fund costs associated with increased salary and benefits for City employees. However, the proposed salary and benefit increases for the project manager classification, which is the subject of the proposed legislation, were not generally assigned to General Fund projects, but rather were assigned to bond or grant funded projects. Therefore, according to Mr. Madden, it will be the responsibility of these other bond or

BOARD OF SUPERVISORS
BUDGET ANALYST

grant funded projects to pay the additional costs associated with the proposed legislation.

4. The Budget Analyst notes that in addition to the retroactive wage increases from this arbitration award, which are indicated above, the Board of Supervisors recently approved a two percent wage increase as of July 1, 1997 and a 1.25 percent wage increase as of December 27, 1997, for a total FY 1996-97 wage increase of 3.25 percent, for Local 21 employees, which includes the project manager classifications, which are the subject of the proposed ordinance.

Recommendation: Approve the proposed ordinance.



CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CONTROLLER

Edward Harrington
ControllerJohn W. Madden
Chief Assistant Controller

August 26, 1997

Mr. John L. Taylor, Clerk of the Board
Board of Supervisors
401 Van Ness Avenue
San Francisco, CA 94102

RE: IFPTE Local 21 Project Managers Arbitration Award

Dear Mr. Taylor:

In accordance with Ordinance 92-94, I am submitting a cost analysis of an arbitration award between the City and County of San Francisco and Local 21, International Federation of Professional and Technical Engineers for the period of October 1, 1995 through June 30, 1997. This award will affect approximately 33 employees.

Based on our analysis, this award will result in a maximum cost of approximately \$82,000 for retroactive wage and fringe benefit increases. Please see Attachment A for cost details. At the time of this analysis, we are not aware of a specific funding source to pay for this award.

If you have any additional questions or concerns please contact John Madden at 554-7500.

Sincerely,

A handwritten signature in dark ink, appearing to read "Ed M. Harrington".
Edward M. Harrington
Controller

Attachment

cc: Vicki Rambo, ERD
Harvey Rose, Budget Analyst

Attachment A
Project Managers Arbitration Award
Estimated Costs 1995-96 through 1996-97
Controller's Office

<u>Annual Incremental Costs/(Savings)</u>	<u>FY 1995-96</u>	<u>FY 1996-97</u>
Retroactive Wage Increases		
1% on 10/1/95 and 1% on 2/1/96	\$20,570	
2% on 7/1/96 and 1.5% on 12/28/96		\$50,416
Wage-Related Fringe Increases	<u>3,151</u>	<u>7,724</u>
Total Estimated Annual Costs	<u>23,721</u>	<u>58,140</u>
Cumulative Total Cost		<u><u>\$81,861</u></u>

Item 8 - File 100-97-1.2

Department: Human Resources (HRD)

Item: Hearing to consider release of reserved funds, Human Resources Department, in the amount of \$376,000, for professional and specialized services to retain a contractor to assist in the development of a City-wide human resources information system.

Amount: \$376,000

Source of Funds: Monies reserved in the Human Resources Department's FY 1997-98 budget for Other Current Expenses

Description: The Board of Supervisors approved \$376,000 in the Department of Human Resources' FY 1997-98 Budget for a professional services contracts. The funds were placed on reserve pending identification of the specific contractors, the MBE/WBE status of the contractors, and the contractors' compliance with the Equal Benefits Ordinance. The Department is now requesting the release of the reserved funds for a professional services contract to provide project oversight and quality assurance services associated with the development of an Integrated Human Resources Information System (IHRIS).

The subject requested funds would be used to retain a consultant to provide project oversight and serve as an independent expert-consultant who is not affiliated with any of the prospective contractors which are to be retained for the actual implementation of the IHRIS. As stated in the Attachment to this report, provided by Mr. Ray Wong of HRD, the benefits for the proposed system include providing the state-of-the-art computer-based support needed to administer core human resources functions for labor relations and collective bargaining; recruitment, testing, classification and hiring; equal employment opportunity programs; employee training; and the various other programs such as medical fitness for duty, drug and alcohol testing, etc. Mr. Wong has also stated that a major benefit of the IHRIS would be the capability to exchange personnel information between HRD and City departments. The information provided by Mr. Wong also provides background information on the work previously accomplished and the plans for developing the IHRIS.

HRD has selected the firm of Ocean-Rock Advisors to provide the oversight services, which would be funded by

this subject request. HRD selected Ocean-Rock Advisors on a sole-source basis, according to Mr. Wong, because of the firm's specific expertise and knowledge of the City's information needs and practices. Mr. Wong has stated that the firm's principal, Mr. Sandy Rosen, has functioned as the staff consultant to the Electronic Data Processing Steering Committee (EIPSC), (which is now the Committee on Information Technology – COIT) for the past eight years, and, in that capacity, has reviewed and produced staff recommendations on the master plans for information technology submitted annually by City departments. Further, according to Mr. Wong, Mr. Rosen was actively involved in the development of the City's "Strategic Plan for Information Technology," developed by KPMG Peat-Marwick in 1996.

Mr. Wong advises that the oversight responsibilities of Ocean-Rock Advisors pertaining to the IHRIS include:

- Develop and implement a project management and review system;
- Coordinate the efforts of City departments in establishing priorities for implementing IHRIS;
- Provide technical advice and assistance in developing a work plan and manage the process for acquiring and installing an integrated human resources information system;
- Perform the Human Resources Functional Requirements Analysis Study and produce and distribute the related RFP;
- Develop the agenda and assist in the development of the content for a bidders' conference;
- Develop and conduct the RFP evaluation process and assist in selecting the vendor for the development of IHRIS;
- Lead the negotiations to obtain a license for the software package selected and develop the contract for IHRIS;
- Identify the technology infrastructure requirements (hardware and other system components) of the selected software package and develop a work plan, including the RFP development and evaluation process;

- Assist in developing the RFP and evaluation process to hire needed technical consultants;
- Develop the IHRIS Project budget requirements and the Project implementation plan.

Comments:

1. Mr. Wong reports that Ocean-Rock Advisors is not an MBE/WBE firm, but is in compliance with the Equal Benefits Ordinance. The Purchasing Department has confirmed such compliance pertaining to Ocean-Rock Advisors. Other data pertaining to the Ocean-Rock Advisors contract is as follows:

<u>Consultant</u>	<u>Average Hourly Rates</u>	<u>Estimated Total Hours</u>	<u>Estimated Total Costs</u>
Ocean-Rock Advisors	\$93.75	1,800	\$168,750

2. According to Mr. Wong, the services to be provided and the related costs and number of hours have not yet been finalized for the remaining \$207,250 (this request of \$376,000 less the identified oversight costs of \$168,750). Therefore, the remaining \$207,250 should continue to be reserved.

3. Ms. Zula Jones of the Human Rights Commission (HRC) reports that in accordance with the provisions of Chapter 12D of the Administrative Code, the selection of Ocean-Rock Advisors would require approval, by the HRC, of a waiver request, because the contractor was selected on a sole-source basis. As of the writing of this report, Ms. Jones reports that the HRC had not received the sole-source waiver request.

4. Mr. Wong states that as currently planned, the IHRIS would be take approximately six years to complete.

5. As stated on the fourth page of the Attachment provided by HRD, the total estimated costs identified to date to implement the Integrated Human Resources Information System range between \$19 million and \$23 million. This estimate was developed by the Department of Telecommunications and Information Services. As stated in the Attachment, this estimate includes the costs for computer and related hardware for DHR, the software license, customization of the software, consultants and staff time. However, this cost estimate of \$19 million to \$23 million does not include the additional costs for computer hardware and telecommunications for the user departments. According to Mr. Wong, such additional costs

cannot be estimated at this time because an assessment of the type and number of workstations, central processing units, other peripheral hardware and operating systems, etc., are directly dependent upon the requirements of the application software package which has not yet been selected.

6. According to Mr. Wong, the primary funding source for the costs of the Integrated Human Resources Information System would be the General Fund. Mr. Wong states that the Airport, the Public Transportation Commission (possible grant funds) and the Hetch Hetchy and the Water Department under the PUC have indicated a willingness to consider paying some of the Integrated Human Resources Information System costs, although the amount of funds to be contributed by such non-General Fund sources, towards the total estimated project costs which could exceed \$23 million, has not been determined.

7. The Budget Analyst notes that, as of the writing of this report, complete cost information, which would be required to implement the Integrated Human Resources Information System, over an estimated six-year period, is not yet available. Given the significant fiscal impact of implementing this system, wherein project costs could exceed \$23 million, we consider approval of this first subject request, for project oversight expenses of \$376,000, to be a policy decision for the Board of Supervisors. Further, the specific detailed benefits to be achieved through implementation of the Integrated Human Resources Information System have not yet been developed. Although we believe that the potential benefits of this System could be substantial, in the professional judgment of the Budget Analyst, the Board of Supervisors should initially be provided with a cost/benefit analysis based on the potential implementation of an Integrated Human Resources Information System, prior to initiating a process which would ultimately result in the expenditure of significant City resources.

Recommendation:

For the reasons cited in Points 5, 6 and 7 above, we consider approval of this request to be a policy decision for the Board of Supervisors. If the Board of Supervisors approves this request without initially obtaining a cost benefit analysis, we recommend that \$168,750 be released, or \$207,250 less than the request, in accordance with Comment No. 2 above.

09/25/97 13:28

NO.782 P001/005

INTEGRATED HUMAN RESOURCES INFORMATION SYSTEM

An independent consultant, KJMG Peat-Marwick, at the request of the Electronic Information Processing Steering Committee (EIPSC) conducted a citywide study on information technology and produced a report, "Strategic Plan for Information Technology" in June 1996. The report identified the need for an integrated citywide human resources information system as among the City and County of San Francisco's top three high priority technology projects.

The 1996-1997 San Francisco Civil Grand Jury report on "The Hiring Process in the City and County of San Francisco" repeated this theme. The Grand Jury found that "DHR does not have the computer systems capability to retrieve personnel data. The most glaring deficiency is the lack of a central repository for personnel information, which is currently scattered throughout City departments, the Controller's Office, the Retirement System and DHR's limited systems." The Grand Jury went on to recommend that "the City should establish a separate budget for the development, implementation and operation of a citywide personnel information system that can support labor contract negotiations and personnel policy administration."

Today's computer-based systems fall serious short of meeting the City's human resources management needs. The inherent limitations of these computer systems severely constrain DHR's ability to implement more efficient and effective human resources service delivery systems, which in turn, hampers City operating departments in their efforts to provide vital City services. Left unattended, these deficiencies will increasingly impede effective management of the City's workforce. These functions include:

- *Human Resources.* The City's existing HRIS is unstable, unreliable, does not support business requirements, and has no potential for enhancement or expansion. It must be replaced as soon as possible.

The benefits for the proposed system include providing the state-of-the art computer-based support needed to administer the core human resources functions. These include: labor relations and collective bargaining; recruitment, testing, classification and hiring; equal employment opportunity programs; employee training; and the various other programs such as medical fitness for duty, drug and alcohol testing, etc. This system will be the central repository for maintaining information on all City employees and this information will be made accessible to the other departments for their use in budget and operational planning and other purposes as they may require. Additionally, the IHRIS will be designed to be able to communicate the computer systems, which currently reside with the Employees Retirement System and Controller including the Payroll & Personnel Division. Exchanging information among these systems is currently extremely time consuming, expensive and inefficient.

- *Benefits Administration & Medical Claims.* The Health Service System Membership Accounting System and the Claims System, which supports processing of claims for the City-sponsored health plan, both reside on obsolete computer equipment. This

09/25/97 13:29

NO.782 P002/005

system will not function after mid-1999 due to software limitations. The Membership Accounting System cannot support a cafeteria plan benefits program. The volume of claims has increased significantly in recent years, necessitating newer technology in order to increase productivity and to meet the increased workload.

- *Workers' Compensation Claims.* A third party program administrator conducts claims processing. The City has an unacceptable degree of claims of breached confidentiality and risk of lost data as well as a very low level of control over its own data. The City is currently in the process of settling pending litigation regarding loss of data by the previous third party administrator.

DHR in conjunction with the DTIS - Information Services Division developed a proposal for the development of a citywide human resources information system that was reviewed by EIPSC in April 1997. The first phases were approved for FY 1997/98. The details are as follows:

Project 1: Applicant Management System

Purpose

This project involves purchase of a software application package capable of supporting applicant tracking, notice generation, examination development, scheduling, scoring and analysis, and eligible list administration - basically having a computer-based system that supports our effort to recruit, test and hire qualified people to fill vacant positions on a timely basis.

Proposal:

- Issue RFP
- Install system
- Estimated costs:

Software licenses

Application & database	
Staff training	\$200,000

Implementation Costs - City Staff

0.5 Senior IS Business Analyst (1053)	\$ 19,500
0.5 Network Specialist (1043)	23,400
3.0 Senior Personnel Analyst (1244)	103,118
0.5 Chief Clerk (1410)	14,638
0.5 Certification Supervisor (1217)	14,207
1.0 Personnel Technician (1203)	23,124

Total	\$197,987
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09/25/97 13:30

NO.762 P003/005

These are current DHR staff dedicated for six months to the implementation and as a consequence would be unavailable to perform their regular duties. Costs are presented to underscore the need for project funding to allow for back filling of these positions on a temporary basis for the duration of project implementation.

Total Cost Project 1: \$397,987

Current status: DHR has completed the RFP process, selected a vendor, and is in the installation phase. The installation is expected to be completed by the end of December 1997. DHR has encumbered \$100,000 for the basic software license. We have yet to determine the precise costs for the necessary customization of the software to meet our local requirements and for training approximately 60 Personnel Analysts and technicians citywide but anticipate that the remaining \$100,000 for this purpose will be sufficient. DHR has allocated more than the allotted staff to this project and estimates that the full \$197,987 will be expended prior to project completion. However, DHR will be able to complete the project by reassigning other staff as necessary.

Project 2: Human Resources and Benefits Administration**Pertinent facts & assumptions:**

- The current HRIS is built on a Paradox/Delphi platform, runs on a Novell NetWare LAN and is incapable of supporting DHR core business needs and performs transaction processing at an unacceptable level of performance;
- the HRIS lacks automated interfaces to the Retirement, IISS, Workers' Compensation, and PPSC systems;
- as validated by an assessment recently completed by DTIS/ISD, it is not technically feasible to expand the HRIS to accommodate the entire range of current nor future DHR business needs much less a CHRIS and its transaction processing needs;

Proposal:

- Purchase a commercially available human resources information system which is capable of meeting the entire scope of the City's human resources-related business needs, has been successfully implemented in other public jurisdictions of similar scope and complexity, with sufficient flexibility to allow for full integration with the Retirement, payroll, Workers' Compensation and HSS functions; ideally, using applications with the same data model and computing platform:
1. Employ an independent consultant to provide technical assistance to the DHR in developing a detailed project plan, completing the functional requirements/needs analysis, developing the RFQs or RFPs for hardware, software, and other necessary services, software and implementation consultant selection, Fit/Gap analysis, negotiating contracts, and overseeing the implementation.
 2. Employ implementation consultants who have a successful record of implementing human resources information systems in general and with the selected product in particular with an emphasis on public sector implementation.

09/25/97 13:30

NO. 782 P004/005

3. Utilize a project management strategy that allows for optimum input from current and potential clients and users, internal and external to DHR, without negatively impacting the implementation schedule.

- Estimated costs:

<u>Independent consultants</u> (12 months)	
1800 hours x \$93.75 per hour	\$168,750

Current status: DHR is seeking release of \$168,750 to proceed with the activities identified above in 1. and described in further detail in a document previously provided to the Budget Analyst. Other costs associated with the \$376,000 cannot be determined until the activities in #1. Have been completed.

We anticipate that installation of the selected IHRIS software package would occur in July 1998. Development and implementation for DHR users would be complete within 18 months of installation. It would take an additional 12 months to "roll out" the system to other City departments.

Based on the timely completion of the above-referenced projects, the next phase of the project involving the Health Service System applications would begin in January 2001 and is anticipated to require 18 months to complete. This would be followed by the Workers' Compensation system project, which would begin July 2002 and is estimated to take 18 months to complete.

The Integrated Human Resources Information System will take approximately six years to complete at a total cost of between \$19 to \$23 million. The Department of Telecommunications and Information Services, Information Services Division developed the cost estimate. The estimate includes costs for computer and related hardware for DHR, the software license, customization of the software, consultants and staff time. It does not include the costs for computer hardware and telecommunications for the user departments. These costs cannot be estimated at this time because an assessment of the type and number of workstations, central processing units, other peripheral hardware and operating system, database and communications software, and telecommunication are directly dependent upon the requirements of the application software package selected. Thus, these costs will be determined during the technology infrastructure assessment phase of the project that can begin only after the RFP and vendor selection process has been completed.

At this time, a number of departments including the Airport, PUC and Public Transportation have indicated a willingness to speak to the issue of contributing funds toward the IHRIS project. However, these discussions are in the very preliminary stages. The amount of funding, if any, that may come from these and/or other City departments is dependent upon the usefulness of the system to the departments and the availability of money at the time that determination is made. Additionally, the question of DHR's ability to use Health Service Trust Fund money for the Health Service System component of the project related to the City sponsored-health plan needs to be addressed. These

09/25/97 13:31

NO. 782 P005/005

matters are raised merely to point out that at this time it is not possible to accurately ascertain the extent to which this project will be supported by the general fund.

Items 9 and 10 - Files 101-97-19 and 101-95-69.3

Department: Trial Courts

Items: Item 9, File 101-97-19 - supplemental appropriation ordinance appropriating \$1,122,757 from the Courthouse Construction Fund for Courthouse Construction Professional Services, Equipment, and Capital Improvements for the Trial Courts for costs associated with the new Civic Center Courthouse Construction project.

Item 10, File 101-95-69.3 - Release of reserved funds for the Trial Courts, in the amount of \$81,243, for costs associated with the new Civic Center Courthouse Construction project.

Amount: \$1,122,757 (File 101-97-19)
81,243 (File 101-95-69.3)
\$1,204,000 Total

Source of Funds: Courthouse Construction Fund - These funds consist of a surcharge on civil and probate filing fees, and parking fines as follows: (1) First filing - Superior Court - \$50, (2) First filing - Municipal Court - \$10, and (3) Parking fines - \$1.50. According to Mr. Neal Taniguchi of Administrative Services, as of September, 1997, the balance of the Courthouse Construction Fund available for appropriations is \$10,843,382.

Description: The new Civic Center Courthouse, which will house the civil divisions of the Superior and Municipal Courts, is currently under construction at the corner of McAllister and Polk Streets. The construction of the Courthouse is being coordinated by a Courthouse Construction Committee, which is comprised of 10 representatives from the Trial Courts, appointed by the Presiding Judges of the Superior and Municipal Courts.

File 101-97-19

In December of 1992, June of 1993, and November of 1993, the Board of Supervisors appropriated \$335,134, \$3,845,822 and \$2,211,922 respectively from the Courthouse Construction Fund, for a total of \$6,392,878 for start-up costs for the Courthouse project (Files 101-92-12, 101-92-87 and 101-93-24). In August of 1994, the Board of Supervisors approved a \$9,722,458 appropriation from the Courthouse Construction Fund for demolition, excavation and construction management costs associated with the Courthouse project (File 101-93-118). In December of 1994,

the Board of Supervisors approved an appropriation of \$2,000,000 for additional costs associated with the Courthouse project. In April of 1996, the Board of Supervisors approved an additional \$2,900,000 appropriation from the Courthouse Construction Fund for furnishings, fixtures, and equipment, and telephone and computer cabling installation services (File 101-95-69, discussed below), and placed the entire amount on reserve. Therefore, the total appropriations to date from the Courthouse Construction Fund are \$21,015,336 for Courthouse construction purposes. The Trial Courts are now requesting that an amount of \$1,122,757 be appropriated from the Courthouse Construction Fund, which would bring the total amount appropriated from this Fund to \$22,138,093.

File 101-95-69.3

In April of 1996, the Board of Supervisors approved a supplemental appropriation ordinance appropriating \$2,900,000 from the Courthouse Construction Fund for costs associated with the new Civic Center Courthouse project (File 101-95-69) and placed the entire \$2,900,000 on reserve pending selection of contractors, the MBE/WBE status of the contractors and submission of cost details. In September of 1996 the Board of Supervisors approved a release of \$762,398 from reserve for telephone and computer cabling, and architectural and engineering services (File 101-95-69.1). In May of 1997, the Board of Supervisors approved a release of \$2,056,359 for the purchase of furnishings, fixtures, and equipment (File 101-95-69.2). The Trial Courts are now requesting the release of \$81,243, the balance of the original \$2,900,000 placed on reserve.

Budget:

A budget for this total request of \$1,204,000, which was provided by Mr. Carlson, is as follows:

Professional Services		
Architectural & Engineering Services	\$432,000	
Construction Management Services	<u>325,000</u>	
Subtotal Professional Services		757,750
Moving Expenses (moving judges and staff into new building)		
Moving Costs	175,850	
Moving Consulting Services	<u>10,400</u>	
Subtotal Moving Expenses		186,250
Special Inspections for permits needed prior to occupancy		145,000
Costs to Reconvert the Clerk's Office at 575 Polk St. back to a Jury Trial Courtroom		75,000
Equipment		
Talking signs to aid the visually impaired	<u>40,000</u>	
Total		\$1,204,000

Comments:

1. An amount of \$757,750 for professional services is being requested to extend the contracts for architectural and engineering services and for construction management services. Mr. Carlson advises that the original contracts for these professional services expired on July 31, 1997. According to Mr. Clyde Cohen, Project Manager of the Courthouse Construction Project, the construction is now scheduled to be substantially completed by October of 1997.

Architectural and Engineering Services An amount of \$432,750 of the \$757,750 would be used to extend the architecture and engineering professional services contract with a joint venture partnership of four firms, selected in 1992 pursuant to a request for proposals (RFP). The joint venture consists of the following four firms: (1) Hood Miller, (2) Ross Drulis, (3) Cavagnero-Barnes, and (4) John M. Lee. Mr. Cohen states that Hood Miller, a WBE firm, receives 51% of the contract. Mr. Cohen states that the average hourly rate for the joint venture is approximately \$99.34, and the number of hours included in this request is 4,349.

Construction Management An amount of \$325,000 of the \$757,750 would extend the professional services contract with Luster Construction Management, an MBE firm, selected pursuant to an RFP in 1993. Mr. Cohen states that the average hourly rate for Luster Construction Management is approximately \$61.23, and the number of hours included in this request is 5,308.

2. As noted above, an amount of \$186,250 is being requested to fund moving costs and moving consulting services for moving judges and staff into the new Courthouse.

BOARD OF SUPERVISORS
BUDGET ANALYST

Moving Consulting Services Mr. Carlson advises that Johns/Rife, a WBE that provided consulting services for the recent move out of City Hall, will provide consulting services for the move into the new Courthouse at an hourly rate of \$65. Mr. Carlson advises that although Johns/Rife was not selected pursuant to an RFP, the hourly rate for this move is the same as the hourly rate charged by Johns/Rife for the City Hall move, which was awarded pursuant to a competitive bidding process. In May of 1997, the Board of Supervisors approved a release of \$59,774 for the contract with Johns/Rife (File 101-95-69.2). An amount of \$10,400 is being requested, funding 160 hours at a rate of \$65 per hour, to expand the scope of work for the contract with Johns/Rife. Mr. Carlson advises that the primary reason for this request is that the task of figuring out how to redistribute case files in the new Courthouse entails more work than originally anticipated.

Moving Costs An amount of \$175,850 is being requested to fund moving costs. Mr. Carlson advises that the Trial Courts are currently in the process of selecting a firm to provide moving services, pursuant to a competitive bidding process, but that a firm has not yet been selected. Therefore, \$175,850 should be reserved pending selection of a firm to provide moving services, the MBE/WBE status of the firm, compliance with the Equal Benefits Ordinance, and submission of the contract cost details.

3. As noted above, an amount of \$75,000 is being requested for costs associated with reconvertng a temporary Clerk's Office back to a Jury Courtroom. Mr. Carlson advises that when the courts were temporarily relocated from City Hall for earthquake repairs, the Municipal Court's Small Claims Division was moved to 575 Polk Street, a building the Trial Courts has been leasing since 1991. In order to accommodate the Small Claims Division, one of the three courtrooms at 575 Polk Street was temporarily converted to a Clerk's Office for the Small Claims Division. When the new Courthouse opens, the Small Claims Division will be moved into the new building. Consequently, an amount of \$75,000 is being requested to reconvert the temporary Clerk's Office at 575 Polk Street back to a Jury Trial Courtroom. Mr. Carlson states that the Trial Courts are currently working with the landlord of 575 Polk Street to determine the cost details of the reconversion project. Therefore, this \$75,000 should be reserved pending further budget details.

4. As discussed in the preceding Comments, extensions of existing contracts for the following professional services are included in the subject request: (1) Architectural and Engineering Services, (2) Construction Management Services, and (3) Moving Consultation Services. According to Ms. Christiane Hayashi of the City Attorney's Office, contractors awarded extensions of contracts entered into prior to June 1, 1997 are required to comply with the Equal Benefits Ordinance if substantive amendments have been made to the contract. Mr. Carlson advises that each of the three professional services contracts included in the subject request would contain substantive amendments to the contracts. However, Ms. Hayashi also advises that the Municipal Court and the Superior Court (together, the Trial Courts) are considered quasi-State agencies, and are not required to meet all requirements of the Administrative Code. Ms. Hayashi states that in 1991 and 1993, the City Attorney's Office issued opinions that the Superior Court and the Municipal Court are neither a department or office of the City; both are considered part of a separate Constitutional branch of government. According to Ms. Hayashi, the Trial Courts are not required to comply with contracting requirements of the City's Administrative Code, such as MBE/WBE provisions, and the Equal Benefits Ordinance, although they may voluntarily choose to do so.

5. Mr. Carlson advises that the funds included in this request are for construction and related costs. No funds have been requested for the operation and maintenance of the new Courthouse. Mr. Carlson states that the Trial Courts will submit a supplemental appropriation request to fund the operation and maintenance of the new Courthouse by mid-October of 1997.

6. The Attachment, provided by Mr. Taniguchi, shows the total costs of \$83,863,861 for the Civic Center Courthouse Construction Project, including this request of \$1,204,000. The Attachment also shows total funding sources of \$84,755,061, including (1) \$62,647,435 from Certificates of Participation (COPs)¹; and (2) \$22,107,626 from Courthouse Construction Funds, which includes funds on reserve and this subject appropriation request. Therefore, the total estimated funding sources of \$84,755,061 exceeds the total estimated costs of \$83,863,861 by \$891,200.

¹A Certificate of Participation (COP) is a financing technique that provides long term financing through a lease or installment sales agreement.

7. The Board of Supervisors previously approved the issuance and sale of the COPs through the San Francisco Courthouse Corporation, a nonprofit corporation, which was established for the purpose of issuing up to \$63,000,000 in COPs to finance the new Civic Center Courthouse (File 97-94-56.3). As shown in the Attachment, COP proceeds are \$59,965,390, excluding interest earned on the COP proceeds. Under a lease agreement between the City and the San Francisco Courthouse Corporation, the City will lease the new Courthouse to the San Francisco Courthouse Corporation for \$1 annually. The San Francisco Courthouse Corporation would use the City's lease payments to repay the COPs proceeds amount of \$59,965,390. The funding source for such lease revenue payments is the Courthouse Construction Fund. According to Mr. Neal Taniguchi of the Administrative Services Department, the estimated annual lease payments over the next 25 year lease period of \$3,900,000, to be paid by the City to the San Francisco Courthouse Corporation, results in total estimated lease payments of \$97,500,000, including interest expense of approximately \$37,534,610.²

8. Mr. Carlson states that at this time the Trial Courts does not anticipate any additional costs associated with the construction of the new Courthouse. However, Mr. Carlson further states that additional expenditures related to the move may be needed if the move date is advanced to early November of 1997. Presently, the move into the new Courthouse is scheduled for early December.

9. According to Mr. Cohen, construction of the new Civic Center Courthouse will be substantially complete by October of 1997 and it is anticipated that the new Civic Center Courthouse will become operational by early December of 1997.

Recommendations: 1. In accordance with Comments 2 and 3 above, amend the proposed ordinance to reserve \$175,850 for moving expenses, and \$75,000 for costs associated with conversion of the courtroom at 575 Polk Street, for a total reserve of \$250,850 and approve the proposed ordinance as amended (File 101-97-19).

2. Approve the proposed release of \$81,243 (File 101-95-69.3).

²\$97,500,000 less COPs proceeds of \$59,965,390.

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Memo to Finance Committee
October 1, 1997 Finance Committee Meeting

Item 11 - File 101-97-14

Note: This item was continued by the Finance Committee at its meeting of September 17, 1997.

Department: Department of Public Health (DPH)

Item: Ordinance appropriating \$35,000 from the General Fund Reserve for Other Professional Services for the Community Health Service to provide HIV testing services at the San Francisco Community College District for FY 1997-98.

Amount: \$35,000

Source of Funds: General Fund Reserve

Description: The proposed supplemental appropriation ordinance would appropriate \$35,000 from the General Fund Reserve to DPH Community Health Service to provide HIV testing services at the San Francisco Community College District for FY 1997-98.

Comment: Mr. Norm Nickens of DPH advises that the Department needs additional time in order to provide budget information as requested by Budget Analyst. Mr. Nickens reports that the Department is therefore requesting that the Finance Committee continue the proposed supplemental appropriation ordinance for one week.

Recommendation: Continue the proposed supplemental appropriation ordinance to the Finance Committee meeting of October 8, 1997, as requested by the Department.

Items 12 and 13 - Files 28-97-7 and 101-95-61.7

Department: Fire Department
Department of Public Works (DPW)

Items: Item 12, File 28-97-7 Resolution authorizing the Fire Department to take necessary measures to protect the health and safety of the citizens of San Francisco by performing the necessary emergency work to repair the Auxiliary Water Supply System (AWSS) main break on Fifth Street near King Street.

Item 13, File 101-95-61.7 Release of reserved funds for the Fire Department, in the amount of \$72,994.45, for costs associated with the repair of the Auxiliary Water Supply System (AWSS) main break on Fifth Street near King Street.

Amount: \$72,994.45

Source of Funds: 1986 Fire Protection Bond interest earnings

Description: The Auxiliary Water Supply System (AWSS) is a system of reservoirs, cisterns, pipelines, pump stations and fireboats, which provide a separate source of water supply for fire protection in emergency situations. On August 12, 1997, a 12-inch main line of the AWSS located on Fifth Street near King Street ruptured, washing away sand and mud and creating a void under the street. Mr. Robert Jew of DPW advises that there was concern that the street might cave in, particularly because of the close proximity of train tracks. This condition required the Fire Department to barricade the street and render the water main inactive, causing three high pressure hydrants to be placed out of commission.

File 28-97-7

In accordance with Administrative Code Section 6.30, on August 26, 1997, the Fire Commission declared that an emergency existed at Fifth Street near King Street. Instead of issuing an Invitation for Bids, the Department of Public Works (DPW) initiated an expedited contracting procedure and selected Homer J. Olsen to perform the emergency repairs. Homer J. Olsen is presently working as the general contractor for another project, the Embarcadero Surface Roadway and Muni Extension Project, along King Street. Homer J. Olsen was selected as the general contractor for that project based on a competitive bidding process, and the contract was entered into in January of 1996.

DPW has proposed to modify the existing contract with Homer J. Olsen in order to perform the emergency AWSS repairs on Fifth Street near King Street. Mr. Jew advises that shortly after the Fire Commission's declaration of emergency, DPW instructed Homer J. Olsen to begin the necessary excavation work. Mr. Jew states that a subcontractor, E. Mitchell, Inc., a WBE/LBE firm, would perform the AWSS repair work. Mr. Jew anticipates that the AWSS repair work would be completed on or about October 15, 1997.

The proposed resolution declares the existence of an emergency situation and authorizes the Fire Department to proceed in the most expeditious manner to perform the necessary work to repair the AWSS water main on Fifth Street.

File 101-95-61.7

In March of 1996, the Board of Supervisors approved a supplemental appropriation for \$3,907,900 (File 101-95-61) from accrued interest from the Fire Protection System of Improvement Bonds for four categories of capital improvement projects: (1) repair and improvement of the Fireboat Phoenix; (2) motorized AWSS Control Valves; (3) AWSS Water Storage Tank repair; and (4) emergency repairs of AWSS facilities. Of the \$3,907,900 that was previously appropriated, the Board placed \$3,269,850 on reserve.

An amount of \$627,000 of the \$3,269,850 was placed on reserve to finance emergency repairs of AWSS facilities, the fourth category listed above. Of the \$627,000 reserved, a balance of \$377,439.12 remains. The Finance Committee has previously approved the release of \$249,560.88 (Files 101-95-61.1, 101-95-61.2, 101-95-61.4, 101-95-61.5, 101-95-61.6) in reserved funds for emergency repairs of AWSS facilities, leaving a balance of \$377,439.12. The subject requested funds of \$72,994.45 for the emergency repairs would decrease the available reserved funds for emergency repairs of AWSS facilities to \$304,444.67.

Budget:

The Fire Department is now requesting the release of \$72,994.45 from the reserve for emergency repairs of AWSS facilities in order to complete the needed repairs of the AWSS water main located on Fifth Street near King Street based on the following budget:

Memo to Finance Committee
October 1, 1997 Meeting of Finance Committee

Construction Work (estimate; provided by Homer J. Olsen)	\$40,000
Contingency	15,000

Engineering Work Conducted by DPW:

No.	Classification	Hours	Hourly	Total
			Rate	
5206	Associate Civil Engineer	183	30.30	\$5,544.90
5256	Mechanical Engineer	6	35.07	210.42
5346	Engineering Associate I	32	22.84	730.88
5366	Engineering Associate II	40	26.44	1,057.60
5506	Project Manager III	16	45.975	735.60
	DPW Fringe Benefit and Overhead			<u>9,715.05</u>
	Subtotal			<u>17,994.45</u>
	TOTAL ESTIMATED COSTS			\$72,994.45

Comments:

1. As noted above, an amount of \$15,000 would be allocated for contingency costs, which is 37.5% of construction costs. Mr. Joe Haas of DPW states that this percentage is high because with an emergency AWSS repair, there is a greater likelihood of encountering unforeseen construction difficulties since the extent of the damage is uncertain.

2. As discussed above, excavation of the area on Fifth Street near King Street was begun shortly after the Fire Commission's declaration of emergency on August 26, 1997. Therefore, the proposed resolution should be amended to provide for retroactive approval for the declaration of emergency.

3. According to Frances Thomas of the Purchasing Department, Homer J. Olsen, the general contractor for this project, has not yet submitted documentation to the Human Rights Commission (HRC) regarding compliance with the Equal Benefits Ordinance. E. Mitchell, Inc., the subcontractor conducting the AWSS repair work, has filed documentation with HRC and their certification is pending. However, according to Ms. Christiane Hayashi of the City Attorney's Office, change orders on construction contracts entered into prior to June 1, 1997 are not "amendments" of a contract that would subject an ongoing construction contract to the Equal Benefits Ordinance. Since the contract with Homer J. Olsen for the subject emergency repairs project would be modified through a construction change order, and the original contract was entered into in January of 1996, the contractor and subcontractor are not required to comply with the Equal Benefits Ordinance.

Memo to Finance Committee
October 1, 1997 Meeting of Finance Committee

- Recommendations:**
1. In accordance with Comment 2, amend Item 12, File 28-97-7 to provide retroactive approval for the declaration of an emergency.
 2. Approve the proposed declaration of emergency as amended (Item 12, File 28-97-7) and approve the proposed release of reserves of \$72,994.45 (Item 13, File 101-95-61.7).

Item 14 - File 172-97-63

Department: Mayor's Treasure Island Project Office

Item: Resolution authorizing and approving a contract with Rubicon Programs, Inc., a non-profit organization, for maintenance and landscaping services on Treasure Island without competitive bidding, consistent with Board of Supervisors resolution No. 672-96, for a term of one year and fee of \$850,000; and finding that such services can be performed at a lesser expense than similar work performed by employees of the City and County of San Francisco.

Description: In 1996, the Board of Supervisors approved a resolution endorsing a draft reuse plan for the conversion of Naval Station Treasure Island (File 244-96-7). Included in the plan was a negotiated agreement between the City and the Treasure Island Homeless Development Initiative (TIHDI), known as the TIHDI Agreement, which, among other things, provides for awarding contracts to homeless support providers on a sole-source basis for certain grounds maintenance and janitorial services for the Base. TIHDI is a collaborative of non-profit organizations, formed in June 1994, for the purpose of utilizing the structural and economic development resources on the Base to fill gaps in the continuum of care for homeless individuals and families in the City. According to the TIHDI Agreement, previously approved by the Board of Supervisors, the City is required to contract with a TIHDI member organizations for ground maintenance and janitorial services on the Base.

The proposed resolution would authorize the City to contract with Rubicon Programs, Inc., a non-profit organization, for maintenance and landscaping services on Treasure Island for one year, from October 1, 1997 to September 30, 1998, and at a cost of \$850,000. According to Ms. Mindy Linetzky of the Mayor's Treasure Island Project Office, Rubicon was selected on a sole-source basis because: (1) Rubicon is a TIHDI member organization which has provided grounds maintenance and landscaping services for the Navy on the Base since 1992; and (2) TIHDI has selected Rubicon to enter into the proposed contract with the City under the TIHDI Agreement.

Charter Section 10.104 provides that the City may contract for services which could be performed by City employees if the Controller certifies, and the Board of Supervisors concurs, that such services can in fact be performed by

BOARD OF SUPERVISORS

BUDGET ANALYST

Memo to Finance Committee
October 1, 1997 Finance Committee Meeting

outside agencies at a lower cost than similar work services performed by City employees. The proposed resolution would concur with the Controller's finding that grounds maintenance and landscaping services on Treasure Island can be performed at a lesser expense than similar work performed by employees of the City and County of San Francisco

The Controller has determined that contracting for grounds maintenance and landscaping services on Treasure Island for FY 1997-98 will result in estimated savings as follows:

	<u>Low</u> <u>Estimate</u>	<u>High</u> <u>Estimate</u>
<u>Projected Personnel Costs</u>		
3417 Gardener (8.0 FTE)	\$275,016	\$325,310
3418 Gardener Supervisor I (1.0 FTE)	39,701	46,980
3434 Tree Topper (1.0 FTE)	37,828	44,735
3436 Tree Topper Supervisor I (0.5 FTE)	22,392	26,531
7514 General Laborer (3.5 FTE)	116,387	137,573
7215 General Laborer Supervisor (1.0 FTE)	36,250	42,856
7355 Truck Driver (1.0 FTE)	39,701	49,329
7388 Utility Plumber (0.5 FTE)	<u>26,418</u>	<u>31,333</u>
Total Salaries	\$593,693	\$704,647
Total Fringe Benefits	163,782	180,781
 <u>Capital Equipment Costs</u>	 <u>151,000</u>	 <u>151,000</u>
Estimated Total City Cost	\$908,475	\$1,036,428
 Estimated Total Contract Cost	 <u>850,683*</u>	 <u>850,683*</u>
 Estimated Savings to the City	 \$57,792	 \$185,745

* Contractor is proposing a contract of \$850,000.

Comments:

1. On August 25, 1997, the Board of Supervisors authorized the City to enter into a one-year Cooperative Agreement with the United States Navy regarding the operation and maintenance of the Naval Station Treasure Island (File 244-97-4). The Cooperative Agreement provides that the Navy shall reimburse the City for costs of up to \$4,000,000 for operating and maintaining the Base from October 1, 1997 to September 30, 1998. A supplemental appropriation of \$4,000,000, including \$1,242,000 for road and grounds maintenance services was subsequently approved by the Board of Supervisors (File 101-97-10). The source of funds for this supplemental appropriation was revenues from the U.S. Navy.

BOARD OF SUPERVISORS

BUDGET ANALYST

2. Ms. Linetzky reports that Rubicon employs disabled and/or homeless men and women in a range of projects including litter control, janitorial services, and grounds maintenance and landscaping. Ms. Linetzky advises that Rubicon will employ a total of 14 full-time workers and 4 supervisors (3 crewleaders and 1 site supervisor) for the proposed contract. Of the 14 non-supervisory workers currently employed by Rubicon for grounds maintenance and landscaping services at the Base, two are San Francisco residents. According to Ms. Linetzky upon commencement of the proposed contract, estimated to start on October 1, 1997, Rubicon will begin to transition its existing 14 non-supervisory workers to other Rubicon work sites with the goal of achieving a non-supervisory workforce comprised of 5 workers (approximately 35 percent) who are San Francisco residents after one month, and 75 percent of non-supervisory workers (approximately 11 workers) by the end of six months.

3. Attachment 1, provided by Rubicon, is a cost estimate for providing grounds maintenance and landscaping services under the proposed contract from October 1, 1997 to September 30, 1998. As shown on page 1 of Attachment 1, estimated total costs are \$739,807 or approximately \$110,193 less than the proposed contract for \$850,000. Ms. Linetzky advises that the Rubicon's cost estimate includes regular grounds maintenance and landscaping only, and does not include costs for additional repairs and services which may be necessary. Page 2 of Attachment 1 is a listing of per unit estimates for such additional repairs and services. According to Ms. Linetzky, Rubicon has estimated its total cost for the contract at \$850,000 which includes \$110,193 for additional repairs and services, or 14.9 percent more than its cost estimate of \$739,807 for regular maintenance and landscaping services. The Mayor's Treasure Island Project Office is requesting that the contract be awarded in the amount of \$850,000.

4. Ms. Linetzky advises that the proposed contract is for services commencing on October 1, 1997, the date of this Finance Committee meeting. Therefore the proposed resolution should be amended to provide for retroactivity.

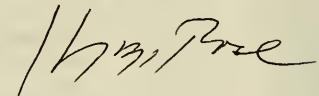
5. Attachment 2 is the Controller's supplemental questionnaire with the Mayor's Office Treasure Island Project's responses. According to Ms. Linetzky, Rubicon has not yet been certified by the Human Rights Commission as being in compliance with the provisions of the Equal Benefits

BOARD OF SUPERVISORS

BUDGET ANALYST

Ordinance, although Rubicon is in the process of obtaining such certification, according to Ms. Linetzky.

- Recommendations:**
1. Amend the proposed resolution for retroactivity.
 2. Amend the proposed resolution to make approval contingent upon compliance with the Equal Benefits Ordinance.
 3. Approve the proposed resolution, as amended.



Harvey M. Rose

cc: Supervisor Leal
President Kaufman
Supervisor Brown
Supervisor Ammiano
Supervisor Bierman
Supervisor Katz
Supervisor Medina
Supervisor Newsom
Supervisor Teng
Supervisor Yaki
Supervisor Yee
Clerk of the Board
Controller
Stephen Kawa
Ted Lakey

BOARD OF SUPERVISORS

BUDGET ANALYST

SCHEDULE OF WORK & UNIT PRICING

Page 1 of 2

TREASURE ISLAND

9/23/97

Unit Prices for Regular Grounds Maintenance Work

Item #		Quantity	Unit	Unit Price	Annual Price
1	GRASS/LAWN CUTTING	2,161,307	SF	\$ 0.1120	\$ 242,066.36
2	EDGING/TRIMMING	113,297	LF	\$ 0.1431	\$ 16,212.80
3	IRRIGATION	2,397,659	SF	\$ 0.0275	\$ 65,935.62
4	AERATING	2,161,307	SF	\$ 0.0061	\$ 13,183.97
5	FERTILIZATION	2,161,307	SF	\$ 0.0071	\$ 15,345.28
6A	SHRUB & GROUND COVER PRUNING	83,471	SF	\$ 0.2459	\$ 20,525.52
6B	SHRUB & GROUND COVER PRUNING	1640	LF	\$ 0.3802	\$ 623.53
6C	SHRUB & GROUND COVER PRUNING	1549	EA	\$ 12.6900	\$ 19,658.81
7	WEED/PEST CONTROL	2,648,835	SF	\$ 0.0066	\$ 17,482.31
8	WEED CONTROL ASPHALT/HARD SURFACE	12	MO	\$ 2,458.0800	\$ 29,496.96
9	GRASS/WEED CUTTING (NATURAL AREAS)	2,750,909	SF	\$ 0.0819	\$ 225,289.45
10	POLICING / STORM DAMAGE CLEANUP	12	MO	\$ 5,314.7700	\$ 63,777.24
11	APPROXIMATE BUILDING UTILITY COST (BLDG. 335)	12	MO	\$ 300.0000	\$ 3,600.00
12	REMOVE WEEDS & DEBRIS AROUND WATER TANKS	12	MO	\$ 550.0000	\$ 6,600.00
TOTAL					\$ 739,806.87

ADDITIONAL SERVICES

TREASURE ISLAND

9/23/97

ADDITIONAL SERVICES

IRRIGATION REPAIRS

ITEM #	SERVICE/REPAIR	DESCRIPTION	UNIT	UNIT PRICE	NOTE
1	sprinkler head	3"-4" pop-up head w / riser	EA	\$ 18.50	Toro 570 design
2	sprinkler head	gear driven rotor w / riser	EA	\$ 28.50	Hunter PGP design
3	sprinkler head	lg. gear driven rotor	EA	\$ 68.00	for athletic field Hunter 1-40
4	irrigation valve	1.5" to 2" electric valve	EA	\$ 80.00	Rainbird plastic body
5	line repair	repair broken lateral line	EA	\$ 40.00	up to 2 1/2" in diameter no more than 5 LF of pipe

VEGETATION REPLACEMENT

6	lawn planting	planting sod or seed	job		price to be negotiated per job
7	shrub planting	1 gallon shrub	EA	\$ 10.00	common varieties
8	shrub planting	5 gallon shrub	EA	\$ 20.00	common varieties
9	shrub planting	15 gallon shrub	EA	\$ 68.00	common varieties
10	tree planting	5 gallon tree	EA	\$ 44.00	common varieties
11	tree planting	15 gallon tree	EA	\$ 107.00	common varieties
12	ground cover planting	1 flat of plants	EA	\$ 38.00	common varieties, price is per flat

GROUNDS MAINTENANCE

13	mow vacant housing units 1-50 units	small yards & up to 50' from unit	EA	\$ 40.00	includes minor trimming along fences one time service
14	mow vacant housing units 51 units and up	small yards & up to 50' from unit	EA	\$ 30.00	includes minor trimming along fences one time service

CHARTER 10.104.15 (PROPOSITION J) QUESTIONNAIRE

DEPARTMENT: Mayor's Office Treasure Island ProjectCONTRACT SERVICES: Grounds services and landscapingCONTRACT PERIOD: October 1, 1997 - September 30, 1998

- (1) Who performed the activity/service prior to contracting out?

New service assumed by the City. Previously Navy contracted with Rubicon Enterprises.

- (2) How many City employees were laid off as a result of contracting out?

None

- (3) Explain the disposition of employees if they were not laid off.

N/A

- (4) What percentage of City employees' time is spent of services to be contracted out?

None

- (5) How long have the services been contracted out? Is this likely to be a one-time or an ongoing request for contracting out?

New services, likely to be contracted out on an ongoing basis.

- (6) What was the first fiscal year for a Proposition J certification? Has it been certified for each subsequent year?

FY 1997/98

- (7) How will the services meet the goals of your MBE/WBE Action Plan?

The contract is with a non-profit organization that will hire disabled, homeless San Francisco residents.

- (8) Does the proposed contract require that the contractor provide health insurance for its employees? Even if not required, are health benefits provided?

Yes. Yes.

- (9) Does the proposed contractor provide benefits to employees with spouses? If so, are the same benefits provided to employees with domestic partners? If not, how does the proposed contractor comply with the Domestic Partners ordinance?

Yes

Department Representative: Larry FlorinTelephone Number: 274-0660

10/8/97

CALENDAR

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Finance Committee Board of Supervisors City and County of San Francisco

OCT 06 1997

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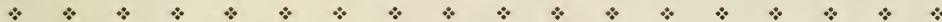
REGULAR MEETING

WEDNESDAY, OCTOBER 8, 1997, 1:00 P.M.

VETERANS BUILDING
401 VAN NESS AVENUE, ROOM 410
SAN FRANCISCO, CA 94102

MEMBERS: Supervisors Susan Leal, Barbara Kaufman, Amos Brown

CLERK: Rosemary Little-Horanzky



Disability Access



Both the Committee Room (Room 410) and the Chamber (Room 404) are wheelchair accessible. The closest accessible BART Station is Civic Center, four blocks from the Veterans Building. Accessible MUNI lines serving this location are: #42 Downtown Loop and the #71 Haight/Noriega and the F line to Market and Van Ness and the METRO stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call 923-6142.



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The following services are available on request 48 hours prior to the meeting or hearing:

- ❖ For American sign language interpreters or the use of a reader during a meeting, contact Violeta Mosuela at (415) 554-7704.
- ❖ For a large print copy of an agenda, contact Moe Vazquez at (415) 554-4909.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

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FINANCE COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

REGULAR MEETING

WEDNESDAY, OCTOBER 8, 1997 - 1:00 P.M.

VETERANS BUILDING
401 VAN NESS AVENUE
ROOM 410

MEMBERS: SUPERVISORS SUSAN LEAL, BARBARA KAUFMAN, AMOS BROWN

CLERK: ROSEMARY LITTLE-HORANZY

1. File 206-97-5. [Procurement Agreement, Housing Authority] Resolution authorizing the Purchaser to enter into an agreement with the Housing Authority of the City and County to make available to the Housing Authority supplies and services at the prices and terms available to the Purchaser under contracts entered into by the City and County. (Supervisor Brown)

ACTION:

2. File 100-97-1.3. [Reserved Funds, Board of Supervisors] Hearing to consider release of reserved funds, Board of Supervisors (1997-98 Budget), in the amount of \$51,900 (\$16,710 for Department of Telecommunications and Information Systems to provide services to the Budget Analyst and \$35,190 to the Budget Analyst for capital acquisition), to fund the Budget Analyst's Computer System. (Clerk of the Board)

ACTION:

3. File 127-97-4.3. [Reserved Funds, Art Commission] Hearing to consider release of reserved funds, Art Commission (Hotel Tax Reallocation), in the amount of \$132,770, to fund facility operations. (S.F. Art Commission)

ACTION:

4. File 38-97-12. [Gift Acceptance, Pacific Gas and Electric Company] Resolution authorizing the Director of Public Works to accept and expend a gift contribution from Pacific Gas and Electric Company in the amount of \$87,000 to construct new gas and electric services for the 911/OES Emergency Communications Center. (Department of Public Works)

ACTION:

5. File 61-97-5. [Construction Contract Expenditure Increase] Resolution approving expenditure of funds exceeding ten percent of original contract amount, under San Francisco Water Department Contract WD-2199, repaving street and sidewalk openings for San Francisco Water Department for fiscal year ending June 30, 1997. (Public Utilities Commission)

ACTION:

6. File 65-97-12. [Lease of Property, Hallidie Plaza] Resolution authorizing the lease of real property at Hallidie Plaza for the operation of a coffee concession by Cable Car Coffee Company, Inc. (Real Estate Department)

ACTION:

7. File 27-97-10. [Federal Aviation Administration Lease Renewal] Resolution approving renewal of Lease No. DTFA-08-97-L-17638 between Federal Aviation Administration and City and County of San Francisco, acting by and through its Airport Commission. (Airports Commission)

ACTION:

8. File 172-97-58. [Prevailing wage requirements] Resolution exempting from prevailing wage provision of Charter Section A 7.204 contract between the San Francisco International Airport and the San Francisco Conservation Corps to perform vegetation and debris removal for the San Francisco International Airport. (Airport Commission)

ACTION:

9. File 101-97-12. [Appropriation, S.F. Unified School District] Ordinance appropriating \$22,050,000, Unified School District, of 1994 San Francisco School Bond Fund proceeds for the construction of various San Francisco public schools for fiscal year 1997-98. RO #97072. (Mayor)

ACTION:

10. File 101-97-20. [Appropriation, Treasure Island Brig] Ordinance appropriating \$2,100,000, Sheriff Department from General Reserve-Treasure Island Brig to fund the costs associated with staffing, operation and capital improvement of the Naval Brig on Treasure Island; companion measure to Files 102-97-6 and 172-97-64. (Mayor)

ACTION:

11. File 102-97-6. [Salary Ordinance Amendment, Sheriff] Ordinance amending Ordinance No. 307-97 (Annual Salary Ordinance, 1997/98), Sheriff's Office, reflecting the creation of thirty five (35) new positions and the reclassification of one (1) existing position; companion measure to File 101-97-20. (Mayor)

ACTION:

12. File 172-97-64. [Treasure Island and Jail No. 3 Improvements] Ordinance waiving the competitive bidding requirements of Administrative Code Sections 6.01, 6.04 and 6.05 and authorizing the Director of the Department of Public Works and/or the Sheriff to expeditiously enter into contracts for the renovation, furnishing and equipping of the former Navy brig at Treasure Island and repairs to Jail No. 3; companion measure File 101-97-20. (Mayor)

ACTION:

13. File 101-97-14. [Appropriation, S.F. Community College District] Ordinance appropriating \$35,000, San Francisco Community College District, from the General Fund Reserve for other professional services to allow the Community Health Service to provide HIV testing services, for fiscal year 1997-98. (Supervisors Ammiano, Teng, Brown, Bierman, Katz)
(Continued from 10/1/97.)

ACTION:

LEGISLATION UNDER THE 30-DAY RULE

File No. 97-97-56. Affordable Housing Bond Program, Ordinance, (Supervisor Brown), 30 day Rule expires 10/15/97.

File No. 97-97-56.1. Affordable Housing Bond Program Regulations, Resolution, (Supervisor Brown), 30 day Rule expires 10/15/97.

Watch future calendars for scheduling of these matters.

FINANCE COMMITTEE

S.F. Board of Supervisors
Veterans Building
401 Van Ness Avenue, Room 308
San Francisco, CA 94102

IMPORTANT HEARING NOTICE!!!

CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

October 3, 1997

TO: Finance Committee

FROM: Budget Analyst *Recommendations for meeting of*

SUBJECT: October 8, 1997 Finance Committee Meeting

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Item 1 - File 206-97-5

Department: Purchasing Department
Housing Authority

Item: Resolution authorizing the Purchaser to enter into a Memorandum of Understanding (MOU) with the Housing Authority to enable the Housing Authority to purchase goods and services at the same prices and terms available to the Purchaser under the City's regular purchasing contracts.

Description: 1. The proposed resolution would approve a Memorandum of Understanding (MOU) between the Purchaser and the Housing Authority that would enable the Housing Authority to obtain the benefits of procuring goods and services through City purchasing contracts in exchange for an administrative fee. The proposed resolution would grant authority to the Purchaser, under Chapter 21 of the San Francisco Administrative code, to include the Housing Authority in the City's procurement contracts. Currently, the Housing Authority does not participate in or benefit from City purchasing agreements.

2. Under the proposed MOU, the Housing Authority would pay the City an annual administrative fee of \$25,000. According to Mr. Ara Minasian of the Purchasing

Department, the fee would cover the salary and fringe benefit costs of a .5 FTE Purchasing Department employee to perform the tasks necessary to include the Housing Authority in the City's procurement contracts. The fee for the first year would be paid as soon as practicable, but not more than 60 days after the execution and approval of the MOU. In subsequent years, the administrative fee would be due on the anniversary date of execution of the MOU.

3. Subsequent to the first year of the agreement, the fee would be reassessed annually, no less than 10 days prior to the anniversary date. The revised fee would be based on the Purchaser's actual costs and must be agreed upon by both the Purchaser and the Housing Authority. If no agreement is reached, either party could terminate the agreement effective immediately. In all other circumstances, either party could terminate the agreement with 90 days notice.

4. The Housing Authority has agreed to waive any claims against the City and to indemnify and to hold the City harmless with respect to any claims or losses arising out of the proposed MOU.

Comments:

1. According to Mr. Edwin Lee, Director of Purchasing, allowing the Housing Authority to make purchases through a single solicitation under regular City contracts administered by the Purchaser would promote cost savings as a result of price discounts offered on large bulk purchases. Mr. Lee anticipates that the Housing Authority would continue to conduct much of its own purchasing, using City contracts only for high volume items for which the City receives discounts above those already available to the Housing Authority. Mr. Lee estimates that annual savings for the Housing Authority will exceed the first year \$25,000 administrative fee which the Housing Authority is to pay the City.

2. Mr. Lee reports that the Purchaser's procedures satisfy Federal requirements which apply to Housing Authority purchases. According to Mr. Lee, the proposed MOU has the support of the U.S. Department of Housing and Urban Development and the Mayor.

Recommendation: Approve the proposed resolution.

Item 2 - File 100-97-1.3

Department: Board of Supervisors

Item: Hearing to consider release of \$51,900 to fund the Budget Analyst's computer system.

Amount: \$51,900

Source of Funds: General Fund Reserve

Description: During the FY 1997-98 budget deliberations, the Board of Supervisors placed \$51,900 on reserve for improving the computer capabilities of the Budget Analyst's Office. The Board of Supervisors placed these funds on reserve because at the time of the appropriation, the Budget Analyst's Office had not yet identified the specific equipment to be purchased nor the precise costs of such equipment.

As reflected in Attachment A, the total estimated cost to the Budget Analyst for the first year is \$95,758, including \$16,710 for the first year Department of Telecommunications and Information Services (DTIS) services for connection to the City's Wide Area Network (WAN), \$76,248 for the capital acquisition costs and \$2,800 for staff training.

The proposed use of the \$51,900 in funds placed on reserve by the Finance Committee is as follows:

First year cost of connection to City WAN	\$16,710
Contractual allowance for capital acquisition	<u>35,190</u>
Total	\$51,900

The contract allowance of \$35,190 shown above represents 46.2 percent of the total hardware and software purchase amount of \$76,248. The Budget Analyst Joint Venture Partnership would therefore pay (a) the 53.8 percent balance of the acquisition expense of \$41,058 and 100 percent of the \$2,800 cost of employee training for a total investment of \$43,858. The Budget Analyst would also be responsible for any additional or unforeseen expenses, since the above costs provide for no contingencies.

Comments:

1. Both the Controller's Office and the Clerk of the Board and their two information systems staffs have reviewed and recommended the release of the proposed reserve of \$51,900.

2. The Clerk of the Board recommends that the Board of Supervisors release \$16,710 directly to the DTIS to provide computer connections to the Budget Analyst's Office. The Clerk also recommends that the remaining \$35,190 be released to the Budget Analyst's Joint Venture to assist in the acquisition expenses for the computer equipment. The Budget Analyst's Office concurs with these recommendations.

3. As reflected in Attachment A, the Budget Analyst is also requesting consideration by the Board of Supervisors of a contract modification of \$18,430 annually to cover (a) the costs of \$8,430 for the DTIS expenses to maintain connections to the City's WAN and (b) to permit for a modest contractual allowance of \$10,000 for ongoing replacement and maintenance costs.

The Clerk of the Board is recommending that the City directly pay for the costs of \$8,430 for DTIS maintenance services. However, the Clerk is recommending that the Joint Venture, not the City, pay for ongoing replacement and maintenance costs of \$10,000.

CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

August 27, 1997

Mr. John L. Taylor, Clerk of the Board
401 Van Ness Avenue, Room 308
San Francisco, California 94102-4532

Subject: Request for Release of Reserved Funds in the Amount of \$51,900
for Budget Analyst Technology Upgrade

Dear Mr. Taylor:

In conformance with the instructions of the Finance Committee, and your letter of July 14, 1997, we have prepared this letter and the accompanying documents concerning the subject reserved funds.

BACKGROUND

In 1978-79, technology related costs for operations of the Budget Analyst's Office were limited to telephones, typewriters and photocopying. When the Budget Analyst's first Proposition J certification was brought to the Board of Supervisors, the cost of performing the service using City employees included non-personnel related expenditures of less than five percent of the total budget amount. This figure was derived from the Board of Supervisors Bureau of the Budget 1978-79 budget for operations out of City Hall. The allowance for non-salary operating costs used for our latest, 1997-98 Proposition J certification is approximately 4.5% of the total contract amount. No adjustments have ever been applied to our annual Proposition J certification to reflect the City's increased cost of computers, software, networking and training of employees. This Proposition J assumption contrasts sharply with current budgets for City offices similar to the Budget Analyst, such as the Mayor's Office of Management and Budget, the Controller's Office and budget and finance offices of major City Departments such as the Public Utilities Commission Finance Bureau and the Department of Public Health, where non-salary related costs exceed 15 percent and more.

Mr. John L. Taylor, Clerk of the Board
August 27, 1997
Page 2

The Budget Analyst Joint Venture Partnership has self-funded technology improvements while continuing to provide the same level of personnel to serve the Board of Supervisors. In 1979, we were the first City office to implement a word processing system. In 1986, we were one of the first offices to install a personal computer local area network with remote access capabilities, and have gradually upgraded this network in subsequent years.

Over the last three to four years, City Departments have moved to intranet-style office computing and connectivity with other City offices through the City's Wide Area Network (WAN). As familiarity with the new systems has grown, the benefits of E-mail and electronic document exchange, as well as on line access to the City's financial systems, have been clearly demonstrated.

The Budget Analyst interacts with every City Department, and works closely with the Board of Supervisors, Clerk of the Board, Controller and Office of the Mayor. The information needs of these relationships causes a constant exchange of paper documents and data from the City's budget and financial systems. A Budget Analyst connection to the City's WAN would result in substantial increases in efficiency and large savings in reproduction and facsimile costs for all City Departments.

The Budget Analyst Joint Venture Partnership has explored options involving connecting our existing, Macintosh based network to the City's WAN. In order to realize all of the benefits available from connecting with the WAN, instead of a small fraction, the Budget Analyst should either upgrade the current system to a complete PowerPC Macintosh network or replace our current local area network with a Windows/PC network. Surprisingly, at least to us, the latter option is the least costly, and would also provide the greatest compatibility with the rest of the City.

As private firms, the Budget Analyst Joint Venture Partners (representing five firms) would of course have many lower cost alternatives for meeting our information processing needs if connection to the City's WAN were not necessary. In all likelihood, we would continue on our current course of providing for gradual upgrades or would otherwise examine alternatives that would require a much smaller capital outlay than the replacement option described above to maximize connectivity and compatibility with the rest of the City's Wide Area Network.

To achieve the benefits of Budget Analyst connectivity for all City Departments, the Budget Analyst requested that the Finance Committee consider a contract modification of \$60,000 to fund the estimated first year cost of the Department of Telecommunications and Information Services for linkage to the City's WAN and a contract allowance to fund one half of the estimated cost of replacing our office network to conform with the City standard. We further requested future consideration of an ongoing modification to our contract to cover the annual cost of maintaining and servicing the Budget Analyst connection to the City WAN and a small contractual allowance for maintenance and replacement costs.

Mr. John L. Taylor, Clerk of the Board
August 27, 1997
Page 3

The Finance Committee reserved \$51,900 (instead of \$60,000) for the first year cost of connection to the City WAN and capital costs, funded by savings achieved during the 1997-98 Finance Committee Budget Hearings.

PROPOSAL

To develop final cost estimates, the Budget Analyst discussed our needs with three City-approved information services vendors. We also met with Local Area Network Administrators for the Controller and the City Attorney to receive their valuable suggestions on network design. In the belief that, because of our proximity to the City Attorney's network, we could save up to \$14,000 in the first year of Department of Telecommunications and Information Services (DTIS) costs, we explored the option of connecting to the City WAN via the City Attorney's router. However, a detailed review found that such a course of action would not save more than \$3,000, would not provide the Budget Analyst with the full range of capabilities, and would result in a significant amount of ongoing additional responsibilities for the City Attorney's LAN personnel. We therefore continued on the course of operating an independent system, similar to most other City offices.

We continued to explore cost alternatives for DTIS services. A final cost estimate from DTIS is shown in Attachment 1 to this letter. The first year cost for this connection is \$16,710 (for nine months) as explained in the attachment. Also, as shown in Attachment 1, the ongoing annual costs, beginning in the second year, are \$8,430. We would therefore request that the Board of Supervisors consider a contract modification to provide for this amount of \$8,430 and an additional \$10,000 annually, for a total of \$18,430, to cover the annual DTIS costs of maintaining connection to the City's WAN and provide for a modest contractual allowance for ongoing replacement and maintenance costs.

For the last several weeks, we have been working closely with Desktop Products, a City-approved vendor who has provided similar services to the Controller, the Tax Collector and the Mayor's Office. We have requested, and have received assurance of the most favorable prices, and compared all quotations with other vendors, including the California State Computer Store, which serves State Offices in San Francisco. Based on this review process, the Budget Analyst is confident that we can obtain hardware, software and networking capabilities comparable to similar City Offices at a favorable price. We have made every attempt to maximize system utility and avoid extravagance. We have reviewed our quotations with City personnel experienced in procuring such equipment, including LAN Administrators Kylie Grenier of the Controller's Office, Dale Riley of the City Attorney's Office and Moe Vasquez of the Board of Supervisors.

Our proposal is to purchase a network file server with tape backup capabilities and related hardware and software, 14 Desktop Personal Computers, a printer and appropriate network wiring. The summary cost estimates in the table on the following page shows the results of this process. Attachment 1 to this letter provides the DTIS quotation, and a detailed quotation from the vendor, Desktop Products, is provided as Attachment 2.

Mr. John L. Taylor, Clerk of the Board
August 27, 1997
Page 4

DTIS Services (See Attachment 1)

First year DTIS services for nine months \$ 16,710

Cost of Network Replacement (See Attachment 2)

Network File Server-Backup-Software-Hubs	\$21,785	
14 Desktop PCs and MS Office Software	29,675	
Services	10,500	
Network Devices (Printer and Ethernet connections)	1,815	
Wiring of Office	<u>6,500</u>	
		\$ 70,275
Sales Tax @ 8.5%		<u>5,973</u>
Subtotal - Network Replacement		76,248

Budget Analyst Staff Training

14 Staff; 5 one hour sessions; \$40 per session per staff	<u>2,800</u>
Total - First Year Cost of Budget Analyst Connection to City WAN	\$ 95,758

All equipment listed in the detailed quotation (Attachment 2) will be housed at the Budget Analyst's main office in San Francisco, in the Fox Plaza Building at 1390 Market Street, Suite 1025. We estimate that 90 percent of the work conducted at this location is in support of the Budget Analyst Joint Venture Agreement, providing services to the Board of Supervisors, with the balance of 10 percent of the time for administration and a minimal amount for services to other clients.

The proposed use of the funds placed on reserve by the Finance Committee are as follows:

First year cost of connection to City WAN	\$ 16,710
Contractual allowance for capital acquisition	<u>35,190</u>
Total	\$ 51,900

The contract allowance of \$35,190 shown above represents 46.2 percent of the total hardware and software purchase amount of \$76,248. The Budget Analyst Joint Venture Partnership would therefore pay (a) the 53.8 percent balance of the acquisition expense or \$41,058, and 100 percent of the \$2,800 cost of employee training for a total investment of \$43,858. The Budget Analyst would also be responsible for any additional or unforeseen expenses. Please note that the table above provides for no contingencies.

Mr. John L. Taylor, Clerk of the Board
August 27, 1997
Page 5

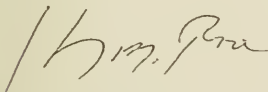
SUMMARY

The connection of the Budget Analyst's Office to the City's WAN will benefit every City Department and greatly improve Budget Analyst services to the Board of Supervisors. To accomplish this connection, the Budget Analyst Joint Venture Partnership would incur one-time first year and ongoing costs charged by the DTIS, and the expense to replace our existing local area network in order to maximize compatibility with the Board of Supervisors and all City Departments. The Budget Analyst's Proposition J contract has never recognized recent increases in telecommunications and information system expenditures that have become routine and ongoing costs in almost all City department budgets.

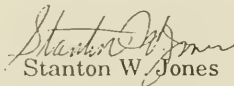
The Board of Supervisors Finance Committee has placed \$51,900 on reserve in the Fiscal Year 1997-98 budget in order to fund the first year DTIS costs and a portion of the capital expenditures that must be incurred by the Budget Analyst Joint Venture Partnership. The Budget Analyst has diligently reviewed alternatives and sought the advice of City technical experts in the procurement of the proposed network. Working with a City-approved vendor experienced with other similar Departments such as the Controller and the Mayor's Office of Budget and Finance, we have reviewed and revised several quotations in order to procure a system of high utility at a favorable cost.

The Budget Analyst requests the release of the \$51,900 reserve so that we can immediately begin implementation of the new system. We further request that the Board of Supervisors consider a contract modification in the amount of \$18,430 annually to cover the annual DTIS costs of maintaining connection to the City's WAN and provide for a modest contractual allowance for ongoing replacement and maintenance costs.

Sincerely,



Harvey M. Rose



Stanton W. Jones



Debra A. Newman

BUDGET ANALYST JOINT VENTURE PARTNERS



Department of Telecommunications and Information Services
Information Services Division

August 20, 1997

Mr. Ken Bruce
Office of the Budget Analyst
1390 Market Street, Suite 1725
San Francisco, CA 94102

Dear Ken:

Attached is a cost estimate for connecting your office to the City's Wide Area Network, including access to the Department of Telecommunications and Information Services' (DTIS) mainframe computer. In addition, I have included the cost of purchasing and installing cc:Mail through DTIS.

— The \$10,500 for the first-year router cost consists of a one-time cost of \$6,500 plus \$4,000 per year for on-going maintenance. This \$4,000 will be prorated for the number of months you actually have the router installed during the fiscal year. The cc:Mail installation cost consists of \$240 for installation of the post office plus \$30 per workstation for installation of cc:Mail on your workstations.

Also, please note that you will need to have Rumba or some other emulation software installed on each workstation in order to access mainframe applications such as FAMIS. DTIS does not provide or install this software.

If you have any questions, please call me at 554-0824.

Sincerely,

A handwritten signature in black ink, appearing to read "Sue Medsger", with a long horizontal flourish extending to the right.

Sue Medsger
Project Manager

Attachment

Estimated Costs to Connect Budget Analyst to City-Wide WAN

	1st Year Cost		On-Going Maintenance	
Connection via Router				
56Kbps Router	10,500 *		4,000	
Data line (through DET)	<u>3,300</u>	13,800	<u>3,300</u>	7,300
SAA Gateway				
10 Sessions	800		350	
10 Users	150			
1 Printer	<u>1,400</u>	2,350	<u>450</u>	800
ISD cc:Mail				
11Mailboxes	990		330	
Installation	<u>570</u>	1,560	<u>330</u>	330
Totals		<u>17,710</u>		<u>8,430</u>

* The \$10,500 first year cost for the Router is made up of a \$6,500 fixed cost plus \$4,000 for twelve months of service. The \$4,000 would be prorated over the actual number of months the Budget Analyst would be connected to the City's WAN. A connection for nine months would therefore reduce this \$4,000 amount by \$1,000 to \$3,000 and the full cost for FY 1997-98 would also be reduced by \$1,000; from \$17,710 to \$16,710.

Network File Server - Backup - Software - Hubs

1	COMPAQ Proliant 850R 6/200 with 32MB (expandable to 512MB) <i>3 year on-site hardware warranty</i>	298800-001	\$3,450	\$3,450
1	Compaq Brand 64-MB Memory Upgrade (Total Server RAM 96-MB)	225483-001	\$695	\$695
3	Compaq 4.3-GB Wide-Ultra SCSI Drive	242584-001	\$1,200	\$3,600
1	Compaq SMART-SL Array Controller	242776-B21	\$850	\$850
1	CTX Energy 15 Multi .28 NI Color Monitor (1280x1024)	VL500	\$285	\$285
1	HP Surestore 24X6E (External DDS-3 Changer - 6 Tapes)	C1559A	\$3,545	\$3,545
1	DESKTOP SCSI Cable		\$50	\$50
3	HP 5 pack of 125 meter DDS-3 cartridges	C1517A	\$135	\$405
1	APC Rack Mount Smart UPS 2200	SU2200RM3U	\$1,380	\$1,380
1	INTEL Fast Ethernet WKGP Kit <i>(10 Bds to be installed in new PCs)</i> <i>12-port 100TX Hub & 10 100TX NICs (works with 10BT also)</i>	EC100WKGP12	\$1,965	\$1,965
1	INTEL Express 10/100 12-Port Module	EC100EMTX	\$1,635	\$1,635
1	INTEL EtherExpress 10/100 PCI 5-Pk <i>(4 Bds to be installed in new PCs)</i>	PILA8465B-PK5	\$405	\$405
15	DESKTOP 25' CAT5 10 Base-T cable	910-10(CAT5)	\$10	\$150
1	COMPAQ SmartStart IntraNetwork v.4.11 - 25 user	295807-004	\$2,250	\$2,250
1	CHEYENNE ServerSuite 3.0 For NetWare <i>Includes ArcServe Backup SW (25-User), InnocuLAN Virus Protection (25-User) & FaxServe (5-User)</i>	NWSS30-C	\$675	\$675
1	CHEYENNE ArcServe 6.x AutoLoader Option	N3-AS6-CO30	\$445	\$445

Desktop PCs

14	HP Vectra VL5 5/166MMX, Model M2500 <i>166Mhz MMX Pentium processor</i> <i>256-KB Synchronous Burst Cache</i> <i>16-MB EDO RAM, expandable to 192-MB</i> <i>1.44mb floppy drive</i> <i>2.5-GB HD with enhanced IDE on PCI Local Bus</i> <i>Integrated 64-bit S3 Trio64 PCI video</i> <i>2-MB VRAM</i> <i>1 ISA, 1 shared & 2 PCI slots; 3 drive bays</i> <i>Energy Star certified - Plug and Play</i> <i>HP DMI - mouse & keyboard</i> <i>Loaded w/ either Win for Workgroups or Win95</i> <i>3 year warranty - 1st year on-site</i>	D4593A	\$1,270	\$17,780
28	DESKTOP 8-MB EDO memory (each system to 32-MB total)	SD-8M-7EDO6	\$70	\$1,960
1	TEAC 16x IDE CD-ROM kit	CD516E/S	\$115	\$115
2	NEC XV17plus - 17" low radiation - 1280x1024	JC1745UMA	\$695	\$1,390
12	NEC A500 - 15" low radiation - 1024x768 @ 75hz	JC1576VMA	\$370	\$4,440
14	MICROSOFT Office 97 32-Bit CD-ROM (Small Business Edition) <i>Includes Word 97, Excel 97, Publisher 97, Outlook 97,</i> <i>Automap Streets Plus and Small Business Financial Manager 97</i>		\$250	\$3,500
14	APC Network Surge Arrest Strip 6 foot cord, 7 outlets	NET7	\$35	\$490

Services

14	Integration and configuration of : C	SV-INT-OA\$25	\$0	\$0
14	Delivery and on-site setup and unboxing of PC	SV-FS-BSET40	\$0	\$0
1	Integration and configuration of File Server <i>Loading of Intranetware and ArcServe</i>	SV-INT-S0500	\$500	\$500
40	Per Hour On-Site Network Integration Services	SV-FS-CN\$125	\$125	\$5,000
20	Per Hour On-Site Training For Clerical Staff (at their desks)	SV-FS-TUTOR	\$100	\$2,000
1	Network Support Contract -- One Year		\$3,000	\$3,000

Network Devices

1	HP LaserJet 5N - Ethernet Ready, 12ppm, 4-MB RAM	C3952A	\$1,375	\$1,375
1	DESKTOP 16-MB RAM Upgrade for HP 5N	SD-16M-HP5SI	\$145	\$145
1	HP JetDirect EX Plus (Ethernet - 10BT and Coax)	J2591A	\$295	\$295

Wiring Plant (estimate only)

1	DESKTOP Wiring Plant -- Products	TBD	\$3,500	\$3,500
1	DESKTOP Wiring Plant -- Services	TBD	\$3,000	\$3,000

Sub-Total	\$70,275.00
Sales Tax (8.5%)	\$5,973.38

GRAND TOTAL	\$76,248.38
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Item 3 - File 127-97-4.3

Department: Art Commission

Item: Hearing to consider the release of reserved Hotel Tax funds in the amount of \$132,770 to the Art Commission for the four City-owned Cultural Centers (Bayview Opera House, Center for African and African American Art and Culture, Mission Cultural Center for Latino Arts, and South of Market Cultural Center).

Amount: \$132,770

Source of Funds: Previously reserved Hotel Tax funds

Description: The Board of Supervisors previously approved an ordinance (File 127-97-4) allocating a portion of the Hotel Tax Fund, commencing in FY 1997-98, to the four City-owned Cultural Centers: 1) Bayview Opera House, 2) Center for African and African American Art and Culture, 3) Mission Cultural Center for Latino Arts, and 4) South of Market Cultural Center. The entire amount of \$650,000 was placed on reserve for Fiscal Year 1997-98, pending the submission of budget details to the Finance Committee.

The Board of Supervisors subsequently approved an ordinance (File 127-97-6.1) which changed the special purpose allocations of Hotel Tax revenues from percentages to specific dollar amounts, adjusted annually by the rate of actual growth or reduction in total Hotel Tax revenues. This previously approved ordinance appropriated an additional \$600,000 of Hotel Tax revenues to the Cultural Centers in FY 1997-98, for a total of \$1,250,000 (\$650,000 placed on reserve plus \$600,000 not placed on reserve) in additional Hotel Tax Fund monies for the Cultural Centers in FY 1997-98.

On September 17, 1997, the Finance Committee approved the release of reserved funds in the amount of \$517,230 for programming needs at the Cultural Centers leaving a balance of \$132,770 (\$650,000 minus \$517,230) on reserve. The Art Commission is now requesting the release of the remaining reserved funds in the amount of \$132,770 to fund facility operations at the four Cultural Centers.

Budget: The Attachment to this report, provided by the Art Commission, is a budget for the Cultural Centers totaling \$1,250,000 in FY 1997-98, including the subject \$132,770. As shown on the Attachment, Facility Operations are estimated to total \$167,900. The requested release of reserved funds in the amount of \$132,770 will pay for approximately 79 percent

Memo to Finance Committee
October 8, 1997 Finance Committee Meeting

of such Facility Operations costs, with the balance of \$35,130 (total cost of \$167,900 less this request of \$132,770) to be paid from the \$600,000 previously appropriated by the Board of Supervisors and which was not placed on reserve.

Recommendation: Approve the requested release of reserved funds in the amount of \$132,770.

San Francisco Art Commission Community Cultural Centers				
1997-98 Operations & Programming Budget				
Cultural Center Programming				
BVOH				62,475
CAAAC				99,225
MCCLA				146,055
SOMAR				209,475
Subtotal Programming				\$517,230
Collaborative Programming				
Projects				105,000
Subtotal Collaborative Programming				\$105,000
Resource Sharing				
Financial Management				\$40,000
Marketing & Public Relations				\$40,000
Development				\$40,000
Subtotal Resource Sharing				\$120,000
Professional Services				
Custodial				127,000
Security				58,000
Maintenance				100,470
Mechanical Systems Maintenance: HVAC				24,400
Subtotal Professional Services				\$309,870
Facility Operations				
Office Expenses				23,200
Central Shops Truck Inspections				1,000
Sewer				4,000
Fire Extinguisher Service				2,000
Elevator/Stage Lift Service				8,000
Janitorial Supplies				26,700
Garbage/Waste Removal				9,000
Facility Maintenance Supplies				20,000
Pest Control				10,000
Security/Fire Alarm Service/Monitor				9,000
Lighting Supplies				20,000
Other Equipment Maint: Seats/Drapes/Carpeting				15,000
Sound System Supplies				20,000
Subtotal Facility Operations				\$167,900
Subtotal Programming & Operations				\$1,220,000
Art Commission Admin				30,000
Total Programming & Operations				\$1,250,000

Item 4 - File 38-97-12

Department: Department of Public Works (DPW)

Item: Resolution authorizing the Director of Public Works to accept and expend a gift from Pacific Gas and Electric Company in the amount of \$87,000 to install new gas and electric services for the 911/Office of Emergency Services Emergency Communications Center.

Description: Section 10.116 of the San Francisco Administrative Code allows for the acceptance of gifts by City department heads for gifts valued at \$5,000 or less. Gifts to the City valued at more than \$5,000 require authorization by the Board of Supervisors. The proposed resolution would authorize DPW to accept and expend a gift of \$87,000 from Pacific Gas and Electric (PG&E) to be used to pay for installation of gas and electric services¹ at the new 911/Office of Emergency Services (OES) Emergency Communications Center presently under construction on Turk Street between Gough and Laguna Streets.

According to Mr. Michael Quan of DPW, in previous years, PG&E did not charge City departments for installation of new services. Consequently, according to Mr. Quan, the original construction budget for the 911/OES Emergency Communications Center did not include funds to connect the facility to electric and gas sources. However, PG&E recently adopted new rules to charge City facilities for the installation of new electric and gas services.

In July of 1997, PG&E presented DPW with a cost estimate of \$89,798.69, as shown in the attachment to this report, to install both the primary gas and electrical services and backup electrical service and offered to contribute \$87,000 to the 911/OES project.

According to Mr. Ralph Leong of Hetch Hetchy, the agency responsible for managing water and power agreements for the City, PG&E would make three contributions to the City, one each in 1997, 1998 and 1999, totaling \$87,000 which Hetch Hetchy would apply to the cost of installing the primary electrical and gas and backup electrical services at the 911/OES Center. The

¹Installation includes the connection of the facility to gas and electric lines permitting the delivery of power to the facility. Installation costs do not include the delivery of gas or electricity to the facility.

Memo to Finance Committee
October 8, 1997 Finance Committee Meeting

remaining \$2,798.69 of the \$89,798.69 cost of installation would be paid from 1997 Combined Emergency Communications Center Lease Revenue Bond funds. The Attachment, provided by DPW, is a cost breakdown for the \$89,798.69.

Comments: Mr. Quan states that sufficient revenue is available from 1997 Combined Emergency Communications Center Lease Revenue Bond proceeds to cover the \$2,798.69 portion of the \$89,798.69 installation cost with the balance of \$87,000 to be donated by PG&E.

Recommendation: Approve the proposed resolution.

Office of Emergency Services
911 Center
1001 Turk Street
San Francisco, Ca.
Doc # 0211E04879

Gas & Electric Cost Breakdown

Electric Service: 2500 Amp, 3 phase, 4-wire electric service with underground transformer and manual transfer scheme for a second source in the event of a failure on the main supply source.

Electric Rule 2-I.1 Special Facilities: PG&E normally installs only those standard facilities which it deems are necessary to provide regular service in accordance with the tariff schedules. Where the applicant requests PG&E to install special facilities and PG&E agrees to make such an installation, the additional costs thereof shall be borne by the applicant, including such continuing ownership costs as may be applicable.

I. Electric Rule 2 Charges for Installation of Underground Transformer and Alternate Feeder.

<u>Work Description</u>	<u>Cost</u>
Overhead Construction	
Installation of primary pole riser molding and cable to underground switch enclosure.	\$ 1,101.00
Underground Construction	
Installation of primary cable and manual switch for alternate feeder.	\$ 15,745.00
Substructures install by the 911 Center Project (\$4,470 credit)	\$ 4,960.00
Installation of secondary service cables and related devices from transformer to Applicant's 2500 Amp buss.	\$ 3,825.00
Engineering and Mapping	\$ 6,271.00
Underground 1000 Kva Transformer	\$ 41,872.00
Electric Metering	
Installation of demand meter, test switches and current transformers.	\$ 797.00
Less Electric Rule 16 - Service Extensions items not associated with Electric Rule 2.	\$ (5,005.00)
Total Net Capital Amount of Underground Transformer and Alternate Feeder.	\$ 69,566.00
Total Net Capital Amount of Standard Pad Mounted Transformer Installation and Alternate Feeder.	<u>\$ (24,376.00)</u>
Total Estimated Installed Cost of Special or Added Facilities.	\$ 45,190.00
Less credit for electric substructures and excavation and/or material associated with the special facilities provided by applicant and deeded/conveyed to PG&E.	\$ (4,470.00)
ITCC Tax at 34%	<u>\$ 15,364.60</u>
Applicant's Payment	A. \$ 56,084.60

911 Center
1001 Turk Street
San Francisco, Ca.
Doc # 0211E04879

Electric Rule 2 Cost Breakdown (continued)

II. Rearrangement Costs (nonrefundable) \$ 188.00

ITCC Tax at 34% \$ 63.92

Total Rearrangement Costs A. \$ 251.92

III. Cost of Ownership Charge

Customer-Finance Equivalent One-time Payment

$$\frac{\$45,190.00 \times 0.46\% \times 12 \times 10.58}{100} =$$
 A. \$ 26,391.68IV. ITCC Tax on Value of Applicant's Trench Associated
with Rule 2.

317ft. at \$35.00 per ft. = \$11,095 x 34% Tax A. \$ 3,772.00

CUSTOMER PAYMENT (Lines IA+IIA+IIIA+IVA) \$ 86,500.50

V. Electric Rule 16-Service Extension Charges
(Prior to July 1995)

Value of Excess Service Cable \$ 838.17

Primary Pole Riser \$ 235.00

Value of Trench, Conduits & Substructures in the Franchise
Area & on 3rd Party Property. \$ 264.00

Inspections Fees \$ 25.00

Sub Total \$ 1,362.17

ITCC Tax at 34% \$ 463.14

Less Service Trench, Conduits, & Substructures in the Franchise
Area & 3rd Party Property Installed by Applicant \$(1664.00)

Total Electric Rule 16 Payment A. \$ 161.31

VI. Gas Rule 16-Service Extensions Charges
(Prior to July 1995)ITCC Tax on Value of 4'6" x 8'6" x 5'0" Underground Gas
Meter Vault Installed by the 911 Center Project.
Net Amount of Vault \$8,962.51 x 35% =

Total Gas Rule 16 Payment A. \$ 3,136.88

Cost Summary

Electric Rule 2 \$ 86,500.50

Electric Rule 16 \$ 161.31

Gas Rule 16 \$ 3,136.88

Applicant's Total Payment Due \$ 89,798.69

Item 5 - File 61-97-5

Department: Public Utilities Commission (PUC)
Water Department
Department of Public Works (DPW)

Item: Resolution approving expenditure of funds exceeding ten percent of the original contract amount, under San Francisco Water Department Contract WD-2199, repaving street and sidewalk openings for San Francisco Water Department.

Amount: \$763,257.90

Source of Funds: FY 1997-98 Water Department Budget

Description: In accordance with the Mayor's goal to coordinate the City's street work, the Water Department and the Department of Public Works (DPW) agreed that beginning on July 1, 1997, DPW would be responsible for the contract to repave the street and sidewalk excavations made by the San Francisco Water Department. Previously, the Public Utilities Commission had awarded Water Department Contract WD-2199 to repave street and sidewalk excavations to A. Ruiz Construction Company & Associates, Inc. The contract was scheduled to expire on June 30, 1997.

In June of 1997, the DPW notified the Water Department that DPW did not have the resources available to undertake the work commencing on July 1, 1997, and would have to contract with a private construction company to handle a substantial portion of the work. According to Mr. Robert Badgley of the Water Department, for safety reasons, the repaving of street and sidewalk excavations must be completed in a timely manner, and there was not sufficient time to permit advertising, bidding, and awarding of a contract by July 1, 1997. A. Ruiz Construction Co. & Associates agreed to extend its existing Water Department contract until December 31, 1997 in order to give DPW time to prepare, bid, and award a new contract for repaving street and sidewalk openings.

The extended contract results in a revised contract agreement that exceeds the original agreement by approximately 60%, or \$763,257.90, from \$1,274,810.00 to \$2,038,067.90, thereby requiring approval of the Board of Supervisors pursuant to Administrative Code Section 6.06.

Comments:

1. Funds needed for restoration of street and sidewalk excavations are available from previously appropriated Water Department resources and additional supplemental funding is not required for this contract modification.
2. According to Ms. Frances Thomas of the Purchasing Department, certification of A. Ruiz Construction Company & Associates, Inc. by HRC as being in compliance with the Equal Benefits Ordinance is pending. A. Ruiz Construction Company & Associates, Inc. is an LBE/MBE.
3. The original contract with A Ruiz Construction Co. & Associates, Inc. expired on June 30, 1997. Therefore, the proposed resolution should be amended to make retroactive the approval of expenditures for the extended contract.

Recommendations:

1. In accordance with Comment No. 2, amend the proposed resolution making approval contingent upon A. Ruiz Construction Company & Associates, Inc. being certified by HRC as being in compliance with the Equal Benefits Ordinance.
2. In accordance with Comment No. 3, amend the proposed resolution to make approval of expenditure of funds retroactive.
3. Approve the proposed resolution, as amended.

Item 6 - File 65-97-12

Department: Real Estate Department

Item: Resolution approving a new lease with Cable Car Coffee Company, Inc., for a 1,200 square foot portion of Hallidie Plaza for the operation of a coffee concession stand.

Location: The lower level of Hallidie Plaza, located at the intersection of Powell and Market Streets.

Purpose of Lease: Coffee and food service cafe and public access area.

Lessor: City and County of San Francisco

Lessee: Cable Car Coffee Company, Inc.

No. of Sq. Ft. and Cost Per Month: 1,200 square feet at approximately \$1.25 per square foot per month, for a total of \$1,500 per month. Rent for the optional five year extension period would be the prevailing market rate or six percent of gross sales, whichever is greater (see Comment No. 2.) In no event would rent for the extension period be less than the rent for the initial term.

Annual Lease Revenues: \$18,000 for the initial five year term.

Term of Lease: Five years beginning the date on which the lease is executed, or the date the City's elevator project at Hallidie Plaza is completed, or the date that an occupancy permit is issued to Cable Car Coffee Company, Inc., whichever is latest. Cable Car Coffee Company, Inc., would have the right to extend the lease for an additional five years.

Utilities and Maintenance: Tenant is responsible for paying all utilities and maintenance of areas of Hallidie Plaza affected by the proposed lease.

Right of Renewal: Five years

Description: The proposed resolution would approve a five year lease, with a five year option to renew, to Cable Car Coffee Company, Inc., at Hallidie Plaza. As required

BOARD OF SUPERVISORS
BUDGET ANALYST

by the Americans with Disabilities Act, the City is currently installing a handicapped accessible elevator at Hallidie Plaza linking Market Street with the upper and lower Plaza levels. According to Ms. Claudine Venegas of the Department of Real Estate, the elevator project is expected to be completed sometime after October 22, 1997.

Ms. Venegas states that the Real Estate Department issued a Request for Proposal (RFP) related to the award for the proposed lease which was published in the City Purchaser's newsletter and the *San Francisco Examiner*, the standard procedure for issuing an RFP. As detailed in the Attachment provided by Mr. Harry Quinn of the Real Estate Department, four firms responded to the RFP, three of which were determined to be qualified. After negotiations with all three qualified firms, only Cable Car Coffee Company, Inc., initially ranked third, was willing and able to meet the City's requirements.

According to Ms. Venegas, Cable Car Coffee Company would install a concession stand on 216 square feet of the 1,200 square feet that would be leased on the Plaza. Approximately 10 tables with umbrellas and 30 chairs would be placed by Cable Car Coffee within the balance of 984 square feet, according to Ms. Venegas. Ms. Venegas reports that Cable Car Coffee Company estimates making a minimum of \$100,000 worth of improvements to the site at no cost to the City.

Cable Car Coffee Company would be responsible for paying all utility costs, for providing janitorial and maintenance services on the leased space, and for compliance with all relevant codes and regulations.

Comments:

1. According to Mr. Amit Ghosh of the Planning Department, the proposed lease is in conformity with the City's General Plan.
2. As previously noted, lease revenues for the initial five year term would equal \$18,000 per year, which Ms. Venegas reports is the fair market value for the property. According to Ms. Venegas, Cable Car Coffee Company estimates gross annual sales of \$300,000, a figure based on sales at Cable Car Coffee Company's Powell Street store.

3. The lease rate for the five year extension period would be increased to the greater of the fair market value for the leased property or six percent of gross annual sales, but no lower than the rate for the initial term. If the current estimate of \$300,000 in gross annual sales were to remain constant into the five year extension period, a lease rate based on six percent of gross annual sales would result in annual rent payable to the City in the amount of \$18,000, the current lease rate.

According to Ms. Venegas, fair market value for the extension period would be determined by a market survey conducted by the Real Estate Department, conditional upon approval by both the Real Estate Department and Cable Car Coffee Company, Inc. If both parties do not agree with the findings, an independent appraiser would be contracted to determine fair market value.

4. Ms. Venegas reports that Cable Car Coffee Company is applying for WBE/LBE status but did not receive bid preference points. According to Ms. Aiyana Eitz of the Human Rights Commission (HRC), Cable Car Coffee Company does not have WBE/LBE status at the present time.

5. According to Ms. Cynthia Goldstein of the HRC, certification of compliance with the Equal Benefits Ordinance for Cable Car Coffee Company, Inc. is pending.

Recommendations:

1. In accordance with Comment No. 5 above, amend the proposed resolution to make approval of the lease contingent upon certification by HRC that Cable Car Coffee Company is in compliance with the Equal Benefits Ordinance.
2. Approval of the proposed resolution, as amended, is a policy matter for the Board of Supervisors.

City and County of San Francisco

Real Estate Department

Office of the
Director of Property

October 2, 1997

**Lease of Hallidie Plaza to
Cable Car Coffee Company, Inc.**

Billy Blatner, Budget Analyst
Harvey Rose Accountancy Corporation
1390 Market Street, Suite 1025
San Francisco, California 94102

Dear Mr. Blatner:

In response to your telephone conversation with Claudine Venegas of my staff, enclosed you will find a copy of our Request for Proposal to lease Hallidie Plaza (Plaza) for a coffee concession.

To summarize, we received four proposals, three of which were qualified. The three firms' proposals were evaluated by a review panel made up of representatives from the Art Commission, Department of City Planning, Market Street Association and the S.F. Visitor and Convention Bureau who subsequently ranked the proponents as follows:

1. Au Bon Pain (ABP)
2. Pasqua Coffee
3. Cable Car Coffee Company, Inc. (Cable Car Coffee)

Due to the size of ABP's proposed project and concerns about its effect on the Plaza's open space, City Planning was unable to approve ABP's plans. On March 14, 1996, we wrote ABP (see attached) to deny their request that the City award the lease to a third party.

On April 2, 1996, we wrote Pasqua Coffee (see attached) confirming our willingness to negotiate a lease. After forwarding a lease for their consideration, we wrote Pasqua Coffee (see attached) on May 23, 1997, requesting a reply. On June 5, 1997, Pasqua Coffee (copy attached) wrote to advise they were unable "to shoulder the full and sole development cost of the facility." Attached is a copy of our June 23, 1997 response to Pasqua requesting affirmation which we did not receive.

On July 29, 1997, Cable Car Coffee wrote us expressing their continued interest and requesting that they be given their "turn to lease space in Hallidie Plaza." After reviewing this request and the RFP with the City Attorney's office, it was determined we could proceed with lease negotiations with Cable Car Coffee.

Billy Blatner
Page 2.
October 2, 1997

On August 28, 1997, City Planning found Cable Car Company's project to be in conformity with the General Plan (copy attached).

In response to your question about the option rent, the City will advise Cable Car Coffee of the prevailing market rent for the option period after conducting a market survey; and if disputed, the rate will be determined through independent appraisals. (See paragraph 4.6 of the lease we provided to you.)

Lastly, although Cable Car Coffee did not received any bid preference points for minority, women, or local business status, we have informed them they can register with the Human Right Commission for formal recognition as a local woman-owned business.

Upon approval of the lease, Cable Car Coffee has agreed to comply with the Non-Discrimination in City Contracts and Benefits Ordinance outlined under paragraph 26.32 of the lease.

If you have any further questions, please call Claudine Venegas at #554-9872.

Sincerely,



Harry J. Quinn
Assistant Director of Property

cvtb:blatner.ltr

Enclosures as stated

Item 7 - File 27-97-10

Department: Airport Commission

Item: Resolution authorizing the renewal of Lease No. DTFA-08-97-L-17638 between the Federal Aviation Administration (FAA) and the City and County of San Francisco, through the Airport Commission.

Purpose of Lease: This lease provides for installation and maintenance of Runway End Identifier Lights (REIL) to ensure the safety of all aircraft movements at San Francisco International Airport.

Lessor: City and County of San Francisco

Lessee: Federal Aviation Administration

Number of Sq. Ft. and Cost per Month: Approximately 1,000 square feet at no charge to the FAA.

Term of Lease: 15 years, from October 1, 1997 to September 30, 2012.

Description: The proposed resolution would approve a lease between the Airport and the FAA with respect to space leased by the FAA on certain runways at the San Francisco International Airport. The original lease (Lease No. DOT-FA77WE-4096) expired on September 30, 1997. Mr. Robert Rhoades of the Airport states that the proposed lease is identical to the form of the original lease except for the term, but that the FAA has changed the identifying lease number, making it officially a new lease rather than a lease renewal.

The FAA leases this space from the City in order to locate and operate Runway End Identifier Lights (REIL) which are used to guide all aircraft using the runways. The space is leased by the City to the FAA at no charge to the FAA. In return, the FAA installs, operates and maintains the equipment at no cost to the City.

The Airport Commission approved a resolution on August 5, 1997 (a) stating that the continued operation of the REIL is necessary to ensure the

Memo to Finance Committee
October 8, 1997 Finance Committee Meeting

safety of aircraft movements at the Airport; and (b) approving the new lease. The lease would take effect retroactive to October 1, 1997 and would be renewable annually at the discretion of the FAA for 15 years, through September 30, 2012. Because the proposed lease would take effect October 1, 1997, the proposed resolution should be amended to provide retroactive authorization.

Recommendations:

1. Amend the proposed resolution to authorize retroactive approval of the lease.
2. Approve the proposed resolution as amended.

Item 8 - File 172-97-58

Department: Airport

Item: Exempting from prevailing wage requirements of Section A 7.204 of the City's Charter the contract between the San Francisco International Airport and the San Francisco Conservation Corps.

Description: Section A 7.204 of the City's Charter provides that every person performing labor under a contract with the City shall be paid no less than the highest general prevailing rate of wages in private employment for similar work. However, Section A 7.204(b) provides that the Board of Supervisors may by resolution exempt from the prevailing wage requirement any contract where the work is to be performed by a non-profit organization that provides job training and work experience for disadvantaged individuals in need of such training and experience, and the non-profit organization either (1) has a board of directors appointed by the Mayor, or (2) exists primarily to design and build urban gardens, yards, and play areas.

Pursuant to Section A 7.204 of the City's Charter, the proposed resolution would exempt from prevailing wage requirements the contract between the San Francisco International Airport and the San Francisco Conservation Corps to perform vegetation and debris removal for the Airport. The San Francisco Conservation Corps (SFCC) is a non-profit organization that provides job training and work experience for disadvantaged individuals, and has a board of directors appointed by the Mayor.

Comments: 1. Mr. Russell Lee of the San Francisco Airport advises that the total amount of the contract with the SFCC for debris removal on Airport property is up to \$49,800. Mr. Lee states that the funds for this contract were included in the Airport's Fiscal Year 1997-98 budget. Mr. Lee states that notice to proceed will be given to the SFCC once the Airport obtains approval from the Board of Supervisors to exempt the subject contract from the prevailing wage requirements of the City's Charter. This contract with the SFCC will expire on June 30, 1999.

2. According to Mr. Lee, under the terms of the contract the SFCC will provide the services of one work supervisor and 10 corpsmembers for 8 hours per day (88 hours) for 29 days at an average hourly rate of \$19, for a total of \$48,488 in labor costs. Mr. Lee notes that the wages paid by the SFCC to their

staff are set by the SFCC. Mr. Lee further advises that in addition to funding labor costs, the average hourly rate of \$19 includes the SFCC's costs associated with liability insurance, workman's compensation, payroll taxes, and health benefits for the work supervisor. This contract with the SFCC also includes up to \$1,312 to fund materials such as safety vests and safety cones, according to Mr. Lee. Thus, the total amount of the contract is up to \$49,800 (\$48,488 plus \$1,312).

3. The San Francisco Conservation Corps was certified by the Human Rights Commission as being in compliance with the Equal Benefits Ordinance on August 15, 1997, according to the Purchasing Department.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Item 9 - File 101-97-12

Department: Mayor's Office

Item: Ordinance appropriating \$22,050,000 of 1994 San Francisco School Facilities Improvement Bond proceeds for the building and structural improvements at various San Francisco Unified School District facilities.

Amount: \$22,050,000

Source of Funds: 1994 San Francisco School Facilities Improvement Bond proceeds

Description: In 1994, a total of \$95,000,000 in General Obligation Bonds for improvements to San Francisco Unified School District (SFUSD) facilities was approved by the electorate. The City previously sold a total of \$72,950,000 of the \$95,000,000 in 1994 School Facilities Improvement Bonds. In May of 1997, the Board of Supervisors approved the sale of an additional \$22,050,000 which was the remaining balance of these bonds, thereby exhausting the unsold capacity under this bond issue. The proposed ordinance would appropriate the \$22,050,000 in bond funds for SFUSD facility improvements at 39 SFUSD locations.

Budget: A summary budget for the requested appropriation of \$22,050,000 for SFUSD facility improvements and related bond issuance costs is as follows:

SFUSD Building and Structural Improvements \$21,964,825	
Bond Issuance Costs	
Bond Counsel	\$14,028
Bond Counsel Expenses	4,676
City Attorney Services	9,352
City Controller Services	9,352
Financial Advisor	14,028
Rating Agencies	20,177
Official Statement Preparation	4,676
Printing and Mailing	5,144
Advertising	<u>3,742</u>
Subtotal	<u>85,175</u>
Total	\$22,050,000

The Attachment, prepared by the SFUSD, provides a more detailed project description and budget for the \$21,964,825 allocation to SFUSD building and structural improvements. The budget, as shown on the Attachment, is \$22,722,861 or \$758,036 more than the requested building and structural improvements amount of \$21,964,825. According to Mr.

Memo to Finance Committee
October 8, 1997 Finance Committee Meeting

William Coleman of the SFUSD, if it becomes necessary, funding for building and structural improvements may be supplemented with \$758,036 in surplus capital improvement funds available to the SFUSD.

Comments:

1. Ms. Monique Moyer of the Mayor's Office reports that the Bond Counsel is a joint venture of Brown and Wood and Pamela Jue who were selected through a Request for Proposal (RFP) process through the City Attorney's Office. Pamela Jue is a MBE/WBE firm. According to Ms. Moyer, the Financial Advisors on this project are a joint venture of Public Financial Management, Inc. (PFM) and Kitahata and Company, who were also hired through a RFP process in 1993. Kitahata and Company is a MBE firm. In addition, the Rating Agencies are Moody's Investor's Service, Fitch Investors, and Standard and Poor's.

2. Ms. Christiane Hayashi of the City Attorney's Office advises that, according to a 1989 opinion issued by the City Attorney's Office, the SFUSD is a separate legal entity created under State law and, for that reason, contractors with the SFUSD are not required to comply with the City's Equal Benefits Ordinance.

Recommendation: Approve the proposed ordinance.

**SAN FRANCISCO UNIFIED SCHOOL DISTRICT
1994 PROPOSITION A BOND ISSUANCE**

5/5/97

School	Projects	Total Project
1) Benjamin Franklin	- Abatement-asbestos/lead - Computer lab installation - Handicap Access - Stage Upgrade	\$ 16,832 \$ 89,545 \$ 16,832 \$ 78,779
	Total Estimate Cost	\$ 201,989
2) Bret Harte	- Abatement-asbestos/lead - Handicap Access - Site Improve-Yard	\$ 41,049 \$ 41,049 \$ 410,498
	Total Estimate Cost	\$ 492,596
3) Cabnillo	- Abatement-asbestos/lead - Handicap Access - Heating/Ventilation - Painting-Exterior - Renovation	\$ 16,992 \$ 16,992 \$ 39,745 \$ 95,442 \$ 34,733
	Total Estimate Cost	\$ 203,903
4) Clarendon	- Abatement-asbestos/lead - Electncal-Lighting - Handicap Access - Site Improvements-General - Stage Upgrade - Toilets	\$ 36,447 \$ 90,909 \$ 36,447 \$ 181,818 \$ 30,755 \$ 60,994
	Total Estimate Cost	\$ 437,370
5) Commodore Sloat	- Abatement-asbestos/lead - Handicap Access - Heating/Ventilation - Kitchen Upgrade	\$ 20,708 \$ 20,708 \$ 164,294 \$ 42,783
	Total Estimate Cost	\$ 248,493
6) Dr. Charles R. Drew	- Abatement-asbestos/lead - Handicap Access - Renovation	\$ 17,215 \$ 17,215 \$ 172,150
	Total Estimate Cost	\$ 206,580
7) Dr. Martin Luther King	- Abatement-asbestos/lead - Handicap Access - Toilets	\$ 4,810 \$ 4,810 \$ 48,100
	Total Estimate Cost	\$ 57,720

8) Fairmount	* Abatement-asbestos/lead * Handicap Access * Painting-Exterior * Site Improve-Yard * Site Improvements-General	\$ 43,037 \$ 43,037 \$ 226,579 \$ 155,687 \$ 48,099
	Total Estimate Cost	\$ 516,438
9) Filipino Education Center	* Abatement-asbestos/lead * Electrical-Lighting * Handicap Access * Renovation * Toilets	\$ 14,803 \$ 6,004 \$ 14,803 \$ 42,782 \$ 99,239
	Total Estimate Cost	\$ 177,630
10) Garfield	* Abatement-asbestos/lead * Computer lab installation * Electrical-Lighting * Handicap Access * Kitchen Upgrade * Site Improve-Yard	\$ 10,721 \$ 35,441 \$ 24,050 \$ 10,721 \$ 15,822 \$ 31,899
	Total Estimate Cost	\$ 128,654
11) George Washington Carver	* Abatement-asbestos/lead * Door replacement-exterior * Handicap Access * Site Improve-Fencing * Window Sash Replacement	\$ 8,583 \$ 30,378 \$ 8,583 \$ 13,636 \$ 41,819
	Total Estimate Cost	\$ 103,000
12) Grattan	* Abatement-asbestos/lead * Handicap Access * Painting-Exterior * Site Improve-Yard	\$ 8,401 \$ 8,401 \$ 30,854 \$ 53,162
	Total Estimate Cost	\$ 100,818
13) Harvey Milk	* Abatement-asbestos/lead * Handicap Access * Site Improve-Yard * Site Improvements-General	\$ 2,228 \$ 2,228 \$ 13,923 \$ 8,354
	Total Estimate Cost	\$ 26,733
14) Ida B. Wells	* Abatement-asbestos/lead * Handicap Access * Kitchen Upgrade	\$ 7,310 \$ 7,310 \$ 73,100
	Total Estimate Cost	\$ 87,720

15) Jefferson	- Abatement-asbestos/lead - Door replacement-exterior - Handicap Access - Library Expansion - Painting-Exterior - Roof Replacement - Site Improve-Yard - Toilet Rehab/Plumb Upgrde - Toilets	\$ 69,085 \$ 30,378 \$ 69,085 \$ 69,616 \$ 91,138 \$ 346,557 \$ 105,057 \$ 12,658 \$ 35,443
	Total Estimate Cost	\$ 829,017
16) Jefferson Annex	- Abatement-asbestos/lead - Handicap Access - Toilet Rehab/Plumb Upgrde	\$ 2,025 \$ 2,025 \$ 20,253
	Total Estimate Cost	\$ 24,303
17) John Yeehall Chin ES	Site Improve-Yard	\$ 39,679
	Total Estimate Cost	\$ 39,679
18) Jose Ortega	- Abatement-asbestos/lead - Computer lab installation - Electrical-Lighting - Handicap Access - Site Improve-Fencing - Window Sash Replacement	\$ 33,720 \$ 47,149 \$ 127,530 \$ 33,720 \$ 56,199 \$ 106,323
	Total Estimate Cost	\$ 404,642
19) Junipero Serra	- Abatement-asbestos/lead - Door replacement-exterior - Handicap Access - Kitchen Upgrade - Painting-Exterior - Renovation - Site Improve-Fencing - Site Improve-Yard	\$ 43,825 \$ 32,577 \$ 43,825 \$ 35,648 \$ 81,023 \$ 161,528 \$ 50,412 \$ 77,058
	Total Estimate Cost	\$ 525,895
20) Longfellow	- Abatement-asbestos/lead - Computer lab installation - Handicap Access	\$ 3,544 \$ 35,441 \$ 3,545
	Total Estimate Cost	\$ 42,530
21) Lowell	- Abatement-asbestos/lead - Handicap Access - Site Improve-Fencing - Site Improve-Sidewalk - Site Improvements-General	\$ 26,146 \$ 26,146 \$ 146,194 \$ 71,388 \$ 43,877
	Total Estimate Cost	\$ 313,752

22) Luther Burbank	• Abatement-asbestos/lead	\$ 105,016
	• Door replacement-interior	\$ 60,643
	• Handicap Access	\$ 105,016
	• Toilet Rehab/Plumb Upgrde	\$ 22,948
	• Toilets	\$ 311,072
	• Window Sash Replacement	\$ 655,501
Total Estimate Cost		\$ 1,260,197
23) Mark Twain	• Abatement-asbestos/lead	\$ 83,333
	• Handicap Access	\$ 83,333
	• Painting-Exterior	\$ 183,079
	• Site Improve-Yard	\$ 650,254
Total Estimate Cost		\$ 1,000,000
24) Marshall	• Abatement-asbestos/lead	\$ 13,033
	• Flooring	\$ 51,421
	• Handicap Access	\$ 13,033
	• Painting-Exterior	\$ 73,844
	• Toilet Rehab/Plumb Upgrde	\$ 5,063
Total Estimate Cost		\$ 156,394
25) McKinley	• Abatement-asbestos/lead	\$ 5,190
	• Door replacement-exterior	\$ 17,721
	• Handicap Access	\$ 5,190
	• Roof Replacement	\$ 31,644
	• Toilet Rehab/Plumb Upgrde	\$ 2,532
Total Estimate Cost		\$ 62,275
26) Mission Annex	• Abatement-asbestos/lead	\$ 7,045
	• Electrical-Lighting	\$ 13,671
	• Handicap Access	\$ 7,045
	• Painting-Exterior	\$ 9,570
	• Toilet Rehab/Plumb Upgrde	\$ 20,126
	• Window Sash Replacement	\$ 27,087
Total Estimate Cost		\$ 84,544
27) Monroe	• Abatement-asbestos/lead	\$ 68,049
	• Electrical-Lighting	\$ 25,207
	• Flooring	\$ 191,145
	• Handicap Access	\$ 68,049
	• Painting-Exterior	\$ 103,229
	• Renovation	\$ 173,369
	• Toilet Rehab/Plumb Upgrde	\$ 38,411
	• Window Sash Replacement	\$ 149,135
Total Estimate Cost		\$ 816,594

28) Paul Revere & Annex	- Abatement-asbestos/lead - Electrical-Lighting - Handicap Access - Site Improvements-General - Window Sash Replacement	\$ 4,364 \$ 25,455 \$ 4,364 \$ 1,266 \$ 16,920
	Total Estimate Cost	\$ 52,369
29) Potrero Hill	- Abatement-asbestos/lead - Handicap Access - Heating/Ventilation - Site Improvements-General - Toilet Rehab/Plumb Upgrde	\$ 28,872 \$ 28,872 \$ 278,465 \$ 2,532 \$ 7,721
	Total Estimate Cost	\$ 346,462
30) Raoul Wallenberg	- Abatement-asbestos/lead - Handicap Access - Window Sash Replacement	\$ 3,088 \$ 3,088 \$ 30,885
	Total Estimate Cost	\$ 37,062
31) School of the Arts HS	- Abatement-asbestos/lead - Handicap Access - Reconstruction	\$ 742,500 \$ 742,500 \$ 5,940,000
	Total Estimate Cost	\$ 7,425,000
32) Sherman	- Abatement-asbestos/lead - Door replacement-exterior - Handicap Access - Toilets	\$ 17,106 \$ 37,592 \$ 17,107 \$ 133,469
	Total Estimate Cost	\$ 205,273
33) Spring Valley	- Abatement-asbestos/lead - Door replacement-exterior - Handicap Access - Painting-Interior - Site Improve-Yard - Stage Upgrade	\$ 31,318 \$ 30,378 \$ 31,318 \$ 110,532 \$ 111,386 \$ 60,884
	Total Estimate Cost	\$ 375,815
34) Tenderloin (new school) Admin./A&E Only	New School Building	\$ 5,334,151
	Total Estimate Cost	\$ 5,334,151
35) Theresa S. Mahler	- Abatement-asbestos/lead - Handicap Access - Site Improve-Yard	\$ 3,924 \$ 3,924 \$ 39,241
	Total Estimate Cost	\$ 47,089
36) Treasure Island	Abatement-asbestos/lead	\$ 23,106

	• Handicap Access	\$ 23,106
	• Heating/Ventilation	\$ 94,362
	• Roof Replacement	\$ 136,701
	Total Estimate Cost	\$ 277,275
37) Yerba Buena	• Abatement-asbestos/lead	\$ 1,509
	• Handicap Access	\$ 1,509
	• Toilet Rehab/Plumb Upgrde	\$ 15,094
	Total Estimate Cost	\$ 18,112
38) Yick Wo	• Abatement-asbestos/lead	\$ 3,954
	• Handicap Access	\$ 3,954
	• Site Improve-Fencing	\$ 23,971
	• Site Improvements-General	\$ 15,569
	Total Estimate Cost	\$ 47,447
39) Yoey at Bessie Smith	• Abatement-asbestos/lead	\$ 612
	• Handicap Access	\$ 612
	• Site Improve-Fencing	\$ 6,116
	Total Estimate Cost	\$ 7,339
	GRAND TOTAL ESTIMATED COST:	\$ 22,722,861

Items 10, 11 and 12 - Files 101-97-20 & 102-97-6 & 172-97-64

Departments: Sheriff Department
Department of Public Works (DPW)

Items: File 101-97-20: Supplemental appropriation from the General Fund reserve to fund the costs associated with the staffing, operation and capital improvement of the Naval Brig on Treasure Island.

File 102-97-6: Amendment to the FY 1997-98 Annual Salary Ordinance to create 35 new positions and reclassify one existing position in the Sheriff's Department.

File 172-97-64: Ordinance waiving the competitive bidding requirements of Administrative Code Sections 6.01, 6.04 and 6.05 and authorizing the Director of the Department of Public Works and/or the Sheriff to expeditiously enter into contracts for the renovation, furnishing and equipping of the former Navy Brig at Treasure Island and repairs to Jail No. 3.

**Amount of Supplemental
Appropriation:** \$2,100,000

Source of Funds: General Fund Reserve - Treasure Island Brig
established in the FY 1997-98 Budget

Description: The U.S. Naval Station located on Treasure Island and Yerba Buena Island is scheduled for closure by the Federal Government on or about October 1, 1997. The Mayor's Office has been engaged in negotiations with the U.S. Navy in anticipation that the City will ultimately assume full ownership of the Naval Station. The Naval Brig on Treasure Island (the Brig) is a two-story, 25,110 square foot jail facility built by the Federal government in 1992. Mr. Larry Florin of the Mayor's Treasure Island Project Office advises that the City has obtained authority from the Navy to reuse the Brig through a license agreement between the City and the Navy. Mr. Florin advises that this license agreement will be converted into a lease in the near future, which will be submitted to the Board of Supervisors for approval. (See Comment No. 1.)

Captain Jan Dempsey of the Sheriff's Department reports that the City has been investigating the potential for use of the Brig during the past year. However, Captain Dempsey states that this effort became more urgent following the July, 1997 United States District Court ruling that Jail No. 3, located in San Bruno, has seismic and fire safety defects which breach the constitutional protections of inmates. As part of the effort to move as many inmates as possible from Jail No. 3, the Sheriff's Department is now seeking to renovate the Treasure Island Brig to permit an average daily occupancy of approximately 140 prisoners who would otherwise be housed at Jail No. 3. (See Comments Nos. 2, 3 and 4.) Captain Dempsey advises that the Navy had planned to have an average daily occupancy of 70 prisoners when the Brig was built, but she states that there is sufficient space in the Brig to house 140 prisoners in compliance with State space standards for jails. Captain Dempsey advises that the Brig was utilized very little by the Navy after its 1992 construction, due to the reduced population at the Naval Station prior to the base closure.

In connection with this effort to renovate and operate the Brig, the Sheriff's Department and the DPW are (1) requesting the expenditure of \$2.1 million from a General Fund Reserve which was established in the FY 1997-98 budget process to fund (a) renovations to the Brig, (b) 35 new permanent staff positions to operate the Brig, and (c) related services, materials and equipment; (2) requesting an amendment to the Annual Salary Ordinance to create the 35 new permanent staff positions; and (3) requesting waiver of competitive bidding requirements for contracts related to renovation of the Brig and repair of Jail No. 3, in order to expedite the completion of such renovations and repairs.

Budget:

In summary, the budget request for the \$2.1 million is as follows:

Capital Improvements	\$442,229
Salaries	908,410
Fringe Benefits	<u>291,741</u>
Subtotal - Personnel	1,200,151
Utilities and Other Services	102,486
Materials and Supplies	129,874
Equipment	170,260
Vehicles	<u>55,000</u>
Total	\$2,100,000

BOARD OF SUPERVISORS
BUDGET ANALYST

A more detailed budget for the \$2.1 million, prepared by the Sheriff's Department, is shown in Attachment No. 1. With the exception of the staff costs, however, the items shown in the budget are preliminary estimates, generally based on the cost of comparable items at other County jails. The capital improvement (i.e. renovation) costs in particular do not represent firm numbers, as will be discussed in more detail in the following section on Proposed Capital Improvements.

Proposed Capital Improvements (\$442,229)

Lt. Michael LaVigne, the Sheriff's Capital Improvement Manager, advises that an estimated \$1,316,950 in capital improvements are needed at the Brig. (See Attachment No. 2.) Lt. LaVigne advises that \$500,000 was budgeted in FY 1996-97 for such capital improvements in the Office of the Chief Administrator. The proposed supplemental appropriation would provide another \$442,229 in funding for capital improvements, leaving an estimated need of \$374,721. Lt. LaVigne states that the Sheriff's Department will allocate another \$150,000 to \$200,000 from its FY 1997-98 facilities maintenance budget for the needed capital improvements at the Brig. According to Lt. LaVigne, the remaining estimated need of \$174,721 to \$224,721 for capital improvements would be deferred until additional funds can be identified.

According to Lt. LaVigne, the Sheriff's Department has contracted with Signal Electric, Inc., a WBE company that complies with the Equal Benefits Ordinance, to conduct fire/life safety system upgrades at an estimated cost of \$226,325 and security system upgrades at an estimated cost of \$273,295, for a total estimated cost of \$499,620, or approximately equal to the \$500,000 previously appropriated for renovation of the Brig.

The Sheriff's Department has determined that, in order to open the Brig, (1) a new perimeter fence must be installed so that inmates can have recreation in a secure setting, and (2) the Brig must be brought into compliance with various State Fire Marshall requirements that are not included under the Signal Electric, Inc., scope of work. Further, additional toilets, showers and related plumbing fixtures must be installed.

BOARD OF SUPERVISORS
BUDGET ANALYST

The proposed ordinance waiving the competitive bidding requirements for renovation of the Brig (File 172-97-64) would permit the Sheriff to contract with Anchor Fence Company, Inc., to build a perimeter fence, at an estimated cost of \$214,193. Anchor Fence Company, Inc., is not an MBE or a WBE company, but it does comply with the Equal Benefits Ordinance. The cost estimate is based on a bid submitted to the Sheriff by the Anchor Fence Company, Inc.

The Sheriff would also use the competitive bidding waiver to contract with the MLS Construction Company to carry out the remaining fire safety improvements and to install the additional toilets, showers and related plumbing fixtures. The MLS Construction Company is an MBE company that complies with the Equal Benefits Ordinance. The Sheriff is in the process of obtaining a bid from the MLS Construction Company. Lt. LaVigne estimates that the required work will cost approximately \$300,000.

The combined estimated cost of the perimeter fence and the fire safety/plumbing improvements described above is \$514,193. If the requested capital improvement funds of \$442,229 are approved, the Sheriff would fund the balance of \$71,964 from facilities maintenance funds in the Sheriff's FY 1997-98 budget. As stated above, additional facilities maintenance funds, up to approximately \$150,000 to \$200,000 may be used to complete some of the other improvements to the Brig that are listed in Attachment No. 2.

Captain Dempsey states that the proposed waiver of competitive bidding requirements and the \$442,229 for capital improvements should be approved at this time because of the urgent need to renovate and open the Brig. Attachment No. 3, prepared by Mr. George Wong of the City Attorney's Office, states that "Complying with the competitive requirements of the Administrative Code would delay the correction of the potential safety hazards noted" in the order issued by Judge H. William Orrick. The Capital Improvement Advisory Committee recommended approval of the \$442,229 requested for renovation of the Brig on September 22, 1997. (See Comment No. 5.)

Personnel (\$1,201,151 in Salary and Fringe Benefits)

The Sheriff's Department proposes to operate the Brig with a staff of 74, including a total of 56 Sheriff's Deputies, 12 sworn supervisory personnel, and 6 civilian personnel,

BOARD OF SUPERVISORS
BUDGET ANALYST

including program staff and facility maintenance staff. A total of 37 of the 56 Sheriff's Deputies and 2 of the 12 sworn supervisory personnel would be transferred from County Jail No.3 to the Brig. A total of 35 new permanent positions are proposed to be created (File 102-97-6), including 19 new Deputy Sheriffs, 10 sworn supervisory personnel and all 6 civilian personnel. On an annual basis, these proposed new positions would cost between \$1,983,380 at the first step, including salaries of \$1,534,017 and fringe benefits of \$449,363; and \$2,380,869 at the top step, including salaries of \$1,840,221 and fringe benefits of \$540,648, at current salary levels.

The following table contains the Step 1 and Step 5 salaries for the 35 requested new positions:

No. of Positions	Step 1 Classification	Title	Step 5 (Biweekly-Annual)	(Biweekly-Annual)
19	8304	Deputy Sheriff	\$1,513 39,489	\$1,835 47,893
4	8306	Sr. Deputy Sheriff	1,674 43,691	2,033 53,061
3	8308	Sheriff's Sergeant	1,844 48,128	2,242 58,516
2	8310	Sheriff's Lieutenant	2,115 55,201	2,571 67,103
1	8312	Sheriff's Captain	2,424 63,266	2,946 76,891
1	1367	Special Assistant VIII	1,611 42,047	1,955 51,025
1	7334	Stationary Engineer	1,846 48,181	1,846 48,181
1	7335	Sr. Stationary Engineer	2,086 54,445	2,086 54,445
1	7347	Plumber	1,975 51,547	2,401 62,666
2	8420	Program Coordinator	1,814 47,345	2,204 57,524
35				

BOARD OF SUPERVISORS
BUDGET ANALYST

The proposed budget of \$908,410 for salaries and \$291,741 for fringe benefits through June 30, 1998, is based on hiring the facilities maintenance staff and four of the supervisory officers by November 1, 1997, and hiring the balance of the supervisory staff, the Sheriff's Deputies and the civilian program staff by November 29, 1997. The Sheriff's Department anticipates opening the Brig on or about February 1, 1998. Captain Dempsey states that personnel would need to be hired approximately two months (or three months, in the case of the maintenance staff and senior supervisory staff) in advance of the Brig opening to permit training and preparation for opening of the Brig.

A description of the nature and purpose of all staff positions at the Brig, prepared by the Sheriff's Department, is shown as Attachment No. 4 to this report. Comments Nos. 6 through 10 provide the basis for the Budget Analyst recommendations regarding the requested new positions, which are listed under Recommendations 2 through 6.

Materials and Supplies (\$129,874)

The proposed budget includes \$27,500 to purchase 100 bunk beds at \$275 per set. Captain Dempsey states that the existing bunk beds at the Brig are wire framed bunks with springs which are dangerous since the springs could be used as weapons. Each of the proposed bunk beds would sleep 2 persons, so the purchase of 100 bunk beds would provide beds for a total of 200 persons. Captain Dempsey states that the request for 100 bunk beds would provide 60 (200 less 140) spare bunk beds for use in the Brig or elsewhere in the County Jails. (See Recommendation No. 7.) A total of 150 mattresses would be purchased at a cost of \$7,500.

The materials and supplies budget also includes uniforms (\$14,500), bullet proof vests (\$11,020) and weapons (\$14,500) for the 29 new sworn personnel positions that would be created under File 102-97-6. Lockers for 70 staff members would be provided at a cost of \$12,250. Captain Dempsey advises that the Brig currently has only 15 quarter-sized lockers, which are not large enough to hold Sheriff's Department uniforms. The office supplies budget of \$6,000, or \$1,000 per month, is based on typical monthly costs at other jails. A budget of \$15,000 for cleaning supplies is designed to provide a start-up inventory and ongoing supplies based on costs at other jails. (See Recommendation No. 8.)

BOARD OF SUPERVISORS
BUDGET ANALYST

Food costs of \$16,624 are based on an increased daily cost per inmate of \$0.919 over the \$1.096 cost per inmate at Jail No. 3, which was originally quoted to the Sheriff's Department by the Aramark Corporation, which has an existing contract to provide food for all County Jails. However, as of the writing of this report, Captain Dempsey has advised the Budget Analyst that the Sheriff's Department is negotiating with the Aramark Corporation, and anticipates little or no differential in food cost per inmate from that already included in the Department's FY 1997-98 budget. (See Recommendation No. 9.)

The materials and supplies budget also includes \$2,580 for two bottled water dispensers. Captain Dempsey advises that the \$2,400 listed under miscellaneous supplies would fund a \$400 per month pest control contract for six months. Captain Dempsey states that the Sheriff's Department would utilize the existing Citywide contract with Applied Pest Management to provide this service.

Utilities and Other Services (\$102,486)

The \$102,486 budget for services includes garbage pickup, sewer and other utilities, expansion of existing contracts with the Signal Electric Company for maintenance of the fire and security systems, vehicle fuel, background exams for Deputy Sheriff position candidates, to be conducted by firms that have existing contracts with the Sheriff's Department (Dee Moody Investigations and Foundation Health Psychological Services), and wiring for telephones and computers.

Vehicles (\$55,000)

The Sheriff's Department is requesting three vehicles. A Taurus Sedan would be used by the Captain, who would be the Brig facility commander and would be on call 24 hours per day. A Mini Van and a Crown Victoria would be used to transport prisoners to courts, hospitals, etc. However, as of the writing of this report, the Sheriff's Department was discussing the possible use of Navy vehicles for this purpose. Therefore, the Budget Analyst recommends that the \$55,000 requested for the subject three vehicles be reserved pending the outcome of such negotiations. (See Recommendation No. 10.)

Equipment (\$170,260)

The \$170,260 equipment budget includes a total of \$53,100 for 30 handheld radios and 3 radios for vehicles. Ten Scott Air Packs, which are self-contained breathing units used in fire suppression, are budgeted for \$25,000. The equipment budget includes \$8,000 for a hydraulic lift, to change ceiling light bulbs. Captain Dempsey states that the ceilings at the Brig are high and cannot be reached safely with ladders.

Captain Dempsey states that, although the Navy used a common room for inmate meals for fewer than 70 inmates, the Sheriff's Department has determined that, with the larger number of 140 inmates anticipated, this would not be a secure or efficient way to serve meals. The Sheriff's Department plans to serve inmates meals in the dormitory areas, and in this connection is requesting \$16,800 to purchase 14 steel tables with attached stools, which would be bolted to the floor.

Captain Dempsey advises that all County jails have a camcorder for use in filming incidents that occur. The proposed equipment budget includes \$1,550 for such a camcorder. Seventy gunlockers would be purchased for \$15,810. Captain Dempsey states that, in addition to the lockers mentioned above for storage of uniforms, separate lockers are needed for sworn employees to store their weapons. The proposed equipment budget would also provide \$5,000 for purchase of a non-lethal weapon known as an "Arwen," which Captain Dempsey states is a weapon which shoots projectiles containing chemical agents or rubber bullets. Captain Dempsey states that all six County jails have one such weapon.

Finally, the equipment budget includes \$45,000 for purchase of computers and printers. However, Captain Dempsey updated this estimate following submission of an estimate from a vendor, which totalled \$31,500 for nine computers and printers. Therefore, the equipment budget should be reduced by \$13,500, from \$45,000 to \$31,500. (See Recommendation No. 11.)

Comments:

1. Mr. Florin advises that under the City's Cooperative Agreement with the Navy, the City would be required to pay a \$0.05 per square foot per month common area maintenance charge to the Navy once the lease of the Brig is signed. Mr. Florin states that the Sheriff would be responsible for paying this charge. If the lease runs for

BOARD OF SUPERVISORS
BUDGET ANALYST

approximately seven months (effective December 1, 1997) in FY 1997-98, based on Mr. Florin's estimate of the likely lease approval time, the Sheriff would be charged \$8,789 (\$0.05 times 25,110 square feet times seven months). This amount has not been included in the proposed supplemental appropriation.

2. According to the Sheriff's Department, the current jail population of approximately 500 inmates at Jail No. 3 can be reduced by 240 inmates to 260 inmates by (1) housing 140 inmates at the Brig; and (2) dispersing another 100 inmates through the other five (excluding San Bruno) County Jail facilities.

3. Although two bond measures that would have funded construction of a jail to replace Jail No. 3 in San Bruno were not approved by the voters, the Sheriff's Department is currently reviewing proposals for alternative funding sources to replace County Jail No. 3 without submitting another bond measure for voter approval. Captain Dempsey states that, once a replacement jail has been built, the Sheriff's Department and the Mayor's Office will determine whether or not to continue operation of the Brig as a jail, depending upon the size of the jail population at that time, the number of jail beds in the system, and the City's overall plans for development of Treasure Island. Captain Dempsey advises that the personnel at the Brig would likely be transferred to the replacement jail if a decision is made to close the Brig.

4. Captain Dempsey advises that the Sheriff's Department has not conducted an analysis to determine whether renovation and operation of the Brig is less costly than contracting with Alameda County or Lake County to house the subject 140 inmates. However, Captain Dempsey states that she believes that, after taking into account the higher transportation costs in Alameda County, the overall cost is probably comparable to operation of the Brig. Captain Dempsey states that the overall cost of housing inmates in Lake County may be less than the cost to operate the Brig, but the logistical problems entailed by such long distance housing outweigh the cost advantages of such an arrangement.

5. The Sheriff's Department has identified the contractors who would receive the subject capital improvement funds, their MBE/WBE status and their compliance with the Equal Benefits Ordinance, as described above. We consider the proposed requested waiver of the competitive bidding requirement for such contracts (File 172-97-64) to be a policy decision for the Board of Supervisors.

It should be noted that this proposed ordinance (File 172-97-64) would also waive competitive bidding requirements for contracts related to repair of County Jail No. 3. Lt. LaVigne has identified approximately \$988,000 in repairs that might be carried out at County Jail No. 3, although as of the writing of this report, no decision has been made as to which repairs will be implemented, when they would be implemented or what funding source would be used. Such estimated costs of \$988,000 to repair County Jail No. 3 are not included in this subject supplemental appropriation request (File 101-97-20).

6. The proposed staffing would give the Brig a lower ratio of inmates to sworn staff than any of the other six County jails. Even after a reduction for salary savings, the Brig would have approximately 64 sworn Deputy Sheriffs and supervisory officers, for a projected maximum daily inmate population of 140. In other words, there would be one sworn staff person for approximately every 2.19 inmates.

As shown in Attachment No. 4, the Sheriff states that all of the Deputy Sheriff positions at the Brig would staff fixed posts (i.e. posts that must be staffed 24 hours per day). Using a relief factor of 1.78, each post requires staffing by at least 5 positions.

7. Two of the posts, which would be staffed by a total of 10 Deputy Sheriffs, are assigned to Cell Blocks A and B, respectively, which each contain a total of five individual cells. Captain Dempsey states that these two posts could not be combined into one post that would move back and forth between the two cell blocks, because of the layout of the building, which would require the officers staffing the post to walk around the control room to travel between the cell blocks, and prohibit viewing of both cell blocks simultaneously. However, the Budget Analyst believes that it should not be necessary for 10 Deputy Sheriffs to provide full time, around the clock post to guard five cells,

BOARD OF SUPERVISORS
BUDGET ANALYST

containing a maximum of 10 inmates. Therefore, the Budget Analyst recommends that the posts assigned to Cell Blocks A and B be combined, thereby reducing the required staffing by 5 Deputy Sheriffs, at a savings of \$96,554 in salaries and approximately \$22,676 in fringe benefits or a total of \$119,230 in FY 1997-98 or an annual savings of approximately \$316,333 at Step 5, including \$239,465 in salaries and \$76,868 in fringe benefits.

8. The proposed staffing plan would provide 12 supervisory officers for 56 Deputy Sheriffs. The Budget Analyst recommends disapproving one of the requested 2 new 8310 Sheriff's Lieutenants, because during the daytime shift it should be sufficient to have supervision by the Captain, Sergeant and Senior Deputy. Elimination of this one position would save \$35,617 in salaries and \$10,620 in fringe benefits in FY 1997-98 or a total of \$46,237.

In addition, the Budget Analyst recommends disapproval of three of the requested four new 8306 Senior Deputy Sheriffs. Even if one of the two daytime Lieutenant positions described above is not approved (as the Budget Analyst has recommended), both non-daytime shifts would be staffed by a Lieutenant and a Sergeant, in addition to the Captain. Planned transfers from Jail No. 3 will also permit staffing by one 8306 Senior Deputy Sheriff during the daytime shift, to work with the Sergeant. The Budget Analyst believes that four layers of management should not be required to supervise 56 Deputy Sheriffs and oversee operations for 140 inmates. Elimination of three of the four requested 8306 Senior Deputy Sheriff positions would save \$88,676 in salaries and \$22,650 in fringe benefits in FY 1997-98 or a total of \$111,326.

9. The proposed staffing plan would provide a Senior Stationary Engineer and a Stationary Engineer, as well as a Plumber. In the professional judgment of the Budget Analyst, the Brig should not require the full time, permanent services of two engineers. Captain Dempsey states that two engineers are needed in order to guarantee that at least one will be available during daytime hours. However, it should be possible to obtain the services of an engineer from one of the other jails or from the DPW to handle urgent problems when the staff engineer is not available. The FY 1997-98 savings by eliminating the 7334 Station Engineer is \$31,862 in salaries and \$5,466 in fringe benefits or a total savings of \$37,328.

BOARD OF SUPERVISORS
BUDGET ANALYST

10. The proposed Special Assistant VIII position at an annual salary of \$51,025 at the top step would serve not only the Brig, but also other jail facilities in collecting and maintaining data on participation by inmates in educational and vocational instructional programs. The Sheriff's Department states that this position is needed to improve efforts to raise funds for such programs. While this may be a justifiable position, it does not directly relate to functioning of the Brig. The Budget Analyst recommends that the Special Assistant VIII position be cut at this time. The Sheriff's Department should request such a position, if it is needed, in the context of the annual budget process. Elimination of the requested 1367 Special Assistant VIII position would save \$37,328 in salaries and \$4,097 in fringe benefits in FY 1997-98, for a total of \$41,425.

11. In summary, the Budget Analyst recommends that 11 of the 35 requested new positions be disapproved. It should be noted that, in addition to the 35 requested new positions, an additional 39 positions are to be transferred from Jail No. 3 for a total allocation of 74 positions to staff the Brig.

12. The Budget Analyst's recommendations, listed below, represent a reduction in the supplemental appropriation of \$400,045 from \$2,100,000 to \$1,699,955, and reserves totalling \$55,000.

13. The Sheriff requests that any reductions to the operating budget for the Brig be reserved by the Finance Committee for use in carrying out further capital improvements which are not funded by the subject supplemental appropriation but should, in the judgment of the Sheriff, be carried out. The Budget Analyst disagrees and believes that any additional capital improvements should be separately justified by the Sheriff to the Finance Committee and the full Board of Supervisors.

14. This report has been reviewed by the Mayor's Treasure Island Project Office but has not yet been reviewed by Captain Dempsey of the Sheriff's Department.

- Recommendations:**
1. Waiver of the competitive bidding requirements for contracts to repair or renovate the Brig and County Jail No. 3 (File 172-97-64) is a policy decision for the Board of Supervisors.
 2. Do not approve the creation of five of the 19 proposed 8304 Deputy Sheriff positions. Reduce the supplemental appropriation by \$119,230. (See Comment No. 7.)
 3. Do not approve one of the requested 8310 Sheriff's Lieutenant positions. Reduce the supplemental appropriation by \$46,237. (See Comment No. 8.)
 4. Do not approve three of the requested four 8306 Senior Deputy positions. Reduce the supplemental appropriation by \$111,326. (See Comment No. 8, second paragraph.)
 5. Do not approve the 7334 Stationary Engineer. Reduce the supplemental appropriation by \$37,328. (See Comment No. 9.)
 6. Do not approve the 1367 Special Assistant VIII position. Reduce the supplemental appropriation by \$41,425. (See Comment No. 10.)
 7. The proposed materials and supplies budget would fund the purchase of 30 extra bunk beds, over the 70 needed to provide beds for 140 prisoners (see section on Materials and Supplies). The Budget Analyst recommends that the budget provide 5 spare bunk beds, rather than 30 spare bunk beds. The Materials and Supplies budget should be reduced by \$6,875 (25 bunk beds times \$275 per bunk bed).
 8. Captain Dempsey states that the \$15,000 budgeted for cleaning supplies can be reduced by \$7,500, to \$7,500. Captain Dempsey states that the Sheriff's Department will absorb any cleaning supply costs above \$7,500 in its FY 1997-98 budget. Therefore, a reduction of \$7,500 should be made.
 9. As described under Materials and Supplies, the Sheriff is negotiating with the Aramark Corporation, which holds the contract to provide food at County Jails, and anticipates that the cost of food per prisoner per day will be similar to the \$1.096 that the Sheriff currently pays at Jail No. 3. Therefore, the \$16,624 budgeted to fund higher food costs should be deleted from the Materials and Supplies request.

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Finance Committee
October 8, 1997 Meeting of Finance Committee

Therefore, the total Materials and Supplies request of \$129,874 should be reduced by \$30,999 (\$6,875 plus \$7,500 + \$16,624) to \$98,875.

10. Reduce the \$45,000 requested for computers and printers by \$13,500, based on a recent estimate provided by a vendor (see section on Equipment) and reduce the total Equipment requested of \$170,260 by \$13,500 to \$156,760.

11. Reserve the \$55,000 requested for purchase of three vehicles, pending the outcome of negotiations with the Navy regarding the City's use of Navy vehicles (see section on Vehicles).

12. In total reduce the supplemental appropriation request (File 101-97-20) of \$2,100,000 by \$400,045 to \$1,699,955 and reserve \$55,000 of the recommended amount of \$1,699,955.

13. Approval of the proposed supplemental appropriation (File 101-97-20), as amended, is a policy matter for the Board of Supervisors.

14. Amend the Annual Salary Ordinance (File 102-97-6) by deleting the 11 positions as recommended above. Approval of the Annual Salary Ordinance, as amended, is a policy decision for the Board of Supervisors.

BOARD OF SUPERVISORS
BUDGET ANALYST

Fiscal Year 1997-98 Costs for Treasure Island Brig - 140 Prisoners
Opening Date 2/1/98

PERSONNEL

Hire 11/01/97 17.26 pp

1 - 7335 Sr. Stationary Engineer	\$36,004
1 - 7334 Stationary Engineer	\$31,862
1 - 7347 Plumber	\$40,820

	\$108,686
Fringe @ 17.155%	\$18,645

1 - 8312 Captain	\$46,136
1 - 8310 Lieutenant	\$40,285
1 - 8308 Sergeant	\$36,142
1 - 8306 Senior Deputy	\$33,433

	\$155,996
Fringe @ 24.965%	\$38,944
H/S @ \$216 pp for 7	\$26,097

Hire 11/29/97 15.26 pp

1 - 8310 Lieutenant	\$35,617
2 - 8308 Sergeant	\$63,909
3 - 8306 Senior Deputy	\$88,676

	\$188,202
Fringe @ 24.965%	\$46,985

19 - 8302 Deputy Sheriff 1	\$366,484
Fringe @ 15.655%	\$57,373

2 - 8420 Program Coordinator	\$65,160
1 - 1367 Special Assistant VIII	\$23,882

	\$89,042
Fringe @ 17.155%	\$15,275
H/S @ \$216 pp for 28	\$92,292

Total	\$1,204,021
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MATERIALS AND SUPPLIES

Bunks (\$275 a set)	\$27,500
Vests for 29 (@\$380)	\$11,020
Lockers for 70 (@\$175)	\$12,250
Office Supplies (@ \$1000 per mo)	\$6,000
Uniforms for 29 (@\$500)	\$14,500
Weapons/Leather (@ \$500)	\$14,500
Bottled Water (2 @ \$430 per mo)	\$2,580
Food Costs (\$2.015)	\$16,624
Cleaning Supplies	\$15,000
Mattresses at \$50 ea	\$7,500
Clothing	0
Miscellaneous Supplies	\$2,400
Total	\$129,874

SERVICES

Garbage (@ \$280 p/u)	\$29,120
Sewer/Utilities (@ \$5000 per mo)	\$30,000
Fire Maintenance @ \$496 per mo)	\$2,976
Security Maintenance @ \$500 per mo)	\$3,000
Vehicle Fuel @ \$400 per mo	\$2,400
Background exams for 50 at \$300 each	\$15,000
Wiring for phones and computers	\$19,990
Total	\$102,486

VEHICLES

1 Taurus Sedan	\$15,000
1 Mini Van	\$20,000
1 Crown Victoria	\$20,000
Total	\$55,000

EQUIPMENT

30 Handheld Radios-HT 1000 at \$1570 each	\$47,100
Radios for Vehicles @ \$2000	\$6,000
Scott Air Packs @ \$2500	\$25,000
Hydraulic Lift	\$8,000
Security Tables @ \$1200	\$16,800

EQUIPMENT (continued)

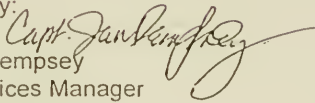
1 Camcorder	\$1,550
Gunlockers for 70 - @\$2635 for 12 bank	\$15,810
Arwen	\$5,000
Computers with Printers @ \$7500	\$45,000
Total	\$170,260

SUMMARY

Personnel	\$1,200,151
Materials and Supplies	\$129,874
Services	\$102,486
Vehicles	\$55,000
Equipment	\$170,260
Capital Improvements	<u>\$442,229</u>

Total Request	\$2,100,000
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Prepared and Submitted by:


Captain Jan Dempsey
Financial Services Manager
September 11, 1997

Brig - Capital Cost Estimates**Estimates****Item**

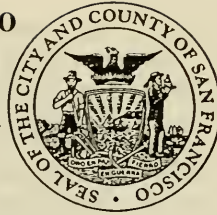
1 Smoke Dection System Upgrades and Replacement	\$226,950
2 Security System Upgrades and Replacement	\$240,000
3 Security Fencing and Yard/Emergency Refuge Area	\$250,000
4 CSFM Code Required Upgrades	
M.I.S Construction	\$300,000
DPW	\$100,000
5 Kitchen & Laundry Upgrades	\$100,000
6 DPH/JPS Upgrades	\$50,000
7 Miccellaneous Operational Modifications	\$50,000
Total - Brig Capital Costs	\$1,316,950

The City Attorney's Office opines that waiver of the competitive bidding requirements of Administrative Code Sections 6.01, 6.04 and 6.05 is proper in light of the order issued by Judge H. William Orrick of the United States District Court finding that Jail No. 3 suffers from serious constitutional defects that may pose a safety to the safety of the inmates presently housed there. Amongst the defects, the Judge found the following: (1) there was a potential fire hazard because of the absence of fire rated door assemblies and the need of additional fire sprinklers; (2) there was a seismic risk because of the jail's structural deficiencies and its close proximity to the San Andreas fault; and (3) the jails water, plumbing and sewer systems were inadequate and potentially created safety hazards.

In light of the Judge's findings, the Sheriff's Department and the Director of Public Works believe that renovations to the former Navy Brig at Treasure Island and repairs to Jail No. 3 should be made promptly to ensure that the facilities are safe for the housing of inmates. Complying with the competitive requirements of the Administrative Code would delay the correction of the potential safety hazards noted in the Judge's Order.

nd County of San Francisco

OFFICE OF THE SHERIFF



Michael Hennessey
SHERIFF

(415) 554-7225

September 29, 1997

Eve Sternberg
Budget Analyst Office
Board of Supervisors
Fox Plaza, 10th Floor
San Francisco, CA 94103

Dear Ms. Sternberg:

Enclosed is a detailed breakdown by posts for all staff for the Treasure Island jail facility. All posts are fixed posts, required seven days a week, with the relief staff necessary to maintain a constant presence in areas where prisoners will either be housed or attending classes. The relief factor for a seven day a week post is 1.78. No relief is applied to Supervisory personnel. Also enclosed is a floor plan for the facility.

SWORN STAFF

Outer Perimeter

The outer perimeter post is necessary to provide for constant security rounds of the facility. This is required to minimize the likelihood of escapes, prevent, to the extent possible, attempted escapes and to maintain a general level of security for the persons inhabiting the Island. This post is required on all 3 watches. On the 2nd watch, 0800 to 1600 HRS., this post also provides security and visual observation of prisoners participating in recreation within the perimeter recreation yards.

Control Room

The control room is the heart of all security operations. The security panel and main fire panel is located in the control room. The security panel controls all interior and perimeter doors at the facility. All movement within the facility is controlled by the control room. This post is required on all 3 watches.

Dorms 1 and 2

This housing unit is on the first floor and is designed with a 3/4 wall in the center of the dormitory. There will be 30 prisoners on each side and 1 deputy assigned on each watch. A staff person is needed at all time to insure proper supervision.

Dorms 3 and 4

This housing is on the second level of the jail facility and is similiar in design to Dormitories 1 and 2.. This housing area can hold 40 prisoners and requires one staff person on each watch. A staff person is needed at all times to provide proper supervision.

Dorm 5

This housing is adjacent to dorms 3 and 4, separated by a full wall with a door way opening to dorms 3 and 4. This smaller dormitory can hold 20 prisoners and requires one staff person on each watch to insure the proper supervision of the prisoners.

Cell Block A

This is located on the first floor, northside, and is comprised of 5 single cells which meet double cell space requirements. This unit can hold 5 to 10 prisoners and requires a staff person on each watch to insure proper supervision of the prisoners housed there.

Cell Block B

This is located on the first floor, southside, and is comprised of 5 single cells which meet double cell space requirements. This unit can hold 5 to 10 prisoners and requires a staff person on each watch to insure proper supervision of the prisoners housed there.

Floater/Relief

This post is to provide the necessary relief for meal breaks at the various post positions in the jail facility. Staff are entitled to a 15 minute break and a 30 minute lunch break. On the 2400 to 0800 HRS watch and the 1600 to 2400 HRS. watch, the relief post will also assist in monitoring the distribution of meals to the prisoners and will be responsible for pulling prisoners in the morning for court and processing in the late court returns in the afternoon who arrive after 1500 HRS. On the 0800 to 1600 HRS. watch, 2 positions for this purpose are necessary due to the high level of activity on a daywatch. Prisoners need escort to attorney visits, to attend classess out of dormitories, to go to medical and recreation.

The following are primarily daywatch functions and are staffed only on the daywatch:

Kitchen/Laundry

The jail facility has a kitchen and laundry across the hall from one another, allowing for one deputy to provide adequate supervision in both areas. This post will also be responsible for maintaining adequate supplies and inventory of necessary items throughout the jail facility.

Movement

This post is needed to provide the necessary supervision for movement to classes on the first and second floors of the jail facility. Further, the movement post, with the relief and floater posts, will be responsible for escorting prisoners to attorney visits, regular visits, recreation, medical and dental appointments and assisting in meal delivery.

Classification/Processing

This post is needed to review housing cards of prisoners received to insure proper housing and classification. This post also interviews prisoners upon arrival. This post is also responsible for processing the newly arrived prisoners into the jail facility, insure they have necessary bedding and clothing and explain jail rules and regulations.

Transportation

Transportation teams are required for overlapping shifts to insure the proper number of staff to get prisoners to court at the Hall of Justice and to return them to the jail facility after court has concluded. Generally, court vans will leave by 0700 and return several times a day with court returns. The last vans should be received between 1500 and 1600 HRS. All transportation personnel travel in teams of two officers for officer safety reasons. On weekends, transportation will be provided from the Hall of Justice to Treasure Island to assist the family members and other friends of prisoners housed on Treasure Island to receive visits.

Supervisory Personnel

The Captain is the Facility Commander and responsible for the 24 hour operation of the jail facility.

There is a Lieutenant (Watch Commander), Sergeant (Assistant Watch Commander) and Senior Deputy (Housing Supervisor) assigned to each shift. On the 0800 to 1600 HRS. shift, there is an additional Lieutenant (Administrative/ Training Supervisor) and an additional Senior Deputy to oversee the housing and educational areas in the jail facility.

CIVILIAN STAFF

Program Coordinators

Two program coordinators are required to provide necessary supervision to instructors providing educational and vocational instruction to prisoners through the Prisoner Jail Programs. As in other jail facilities, classes will begin at 0900 and conclude at 2000 HRS. Adequate and necessary coverage requires two personnel for this purpose. The other Direct Supervision jails, which have similar programs, have 2 Program Coordinators on site to provide necessary coverage.

Special Assistant VIII

This is a newly created position to assist Program staff at Treasure Island and in other jail facilities to maintain adequate records of attendance and completion rates for prisoners. This information assists in obtaining funds for the Prisoner Programs through Milpitas School District and assists the Department in actively and aggressively competing for grant funds to enhance the programs offered in the jail facilities. To date, this function has not been staffed and information needed for grants, in particular, has been sorely lacking. A newly designed computer system will be in place by the time Treasure Island opens, affording the Department the opportunity to begin a reliable collection of information. No support staff is available to the Programs personnel for this necessary function. This new position will provide the necessary support. The JAQ, prepared for the Department of Human Services, will also be faxed to you.

Engineers

Engineers are needed to perform routine maintenance and emergency repairs at the jail facility. At least two are needed to insure coverage at least five days a week. Existing engineering staff within the Sheriff's Department are unavailable for reassignment as repairs must be continued at San Bruno in light of the recent court decision. General maintenance needs include repairing locks, replacing lights, addressing electrical problems which may arrive, installation of necessary equipment, such as bunks and tables, and general building maintenance. The Department can not rely on routine maintenance from the Department of Public Works due to the workload at that Department.

Plumber

A plumber is needed to provide routine maintenance and emergency repairs as needed in the laundry, kitchen and housing areas. Clogged toilets and drains are very problematic in a jail facility, especially in dormitory housing where a limited number of toilets and showers are available.

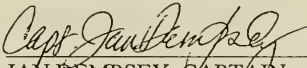
SWORN STAFF REASSIGNED FROM COUNTY JAIL #3 (SAN BRUNO)

The County Jail #3 facility is budgeted for 104 positions. 65 positions are required to operate the areas of the jail which will remain open, including the kitchen and laundry which are required for County Jail #7, located on the same grounds. 39 positions will be reassigned to the Treasure Island jail facility. These positions are 1 Lieutenant, 1 Sergeant and 37 Deputy Sheriffs.

I will be sending a list of capital improvements to you before noon today. It appears we may not have an answer about the availability of vehicles at Treasure Island until sometime next week. I will still do my best to get a commitment from the Mayor's Office staff at Treasure Island about securing vehicles already on the Island.

I hope this information addresses some of the concerns you expressed yesterday. If you have any questions regarding this information, please contact me at 553-9504.

Sincerely,

A handwritten signature in dark ink, appearing to read "Capt. Jan Dempsey". The signature is fluid and cursive, with a horizontal line drawn across the bottom of the name.

JAN DEMPSEY, CAPTAIN
Facility Commander, CJ#1

STAFFING PLAN FOR TREASURE ISLAND

9/97

Sworn Staff

2400 to 0800 HR. Watch (Minimum)

Outer Perimeter	1
Control Room	1
Dorm 1 and 2	1
Dorm 3 and 4	1
Dorm 5	1
Cell Block A	1
Cell Block B	1
Floater/Relief	1
Supervisor	1

Total Required: 8 Posts with relief (1.78) = 14 Deputy Sheriff's

3 Supervisors

Total	17
-------	----

0800 to 1600 HR. Watch (Minimum)

Recreation/

Outer Perimeter	1
Control Room	1
Dorm 1 and 2	1
Dorm 3 and 4	1
Dorm 5	1
Cell Block A	1
Cell Block B	1
Kitchen/Laundry	1
Movement	1
Classification/ Processing	1
Floater/Relief	2
Supervisors	2

Total Required: 12 Posts with relief (1.78) = 21 Deputy Sheriff's

6 Supervisors

Total	27
-------	----

1600 to 2400 HR. Watch (Minimum)

Outer Perimeter	1
Control Room	1
Dorm 1 and 2	1
Dorm 3 and 4	1
Dorm 5	1
Cell Block A	1
Cell Block B	1
Floater/Relief	1
Supervisor	1

Total Required: 8 Posts with relief (1.78) = 14 Deputy Sheriff's

3 Supervisors
Total 17

Transportation

2 teams are required.

4 Deputy Sheriff's with relief (1.78) = 7 Deputy Sheriff's

Total Sworn Needed:

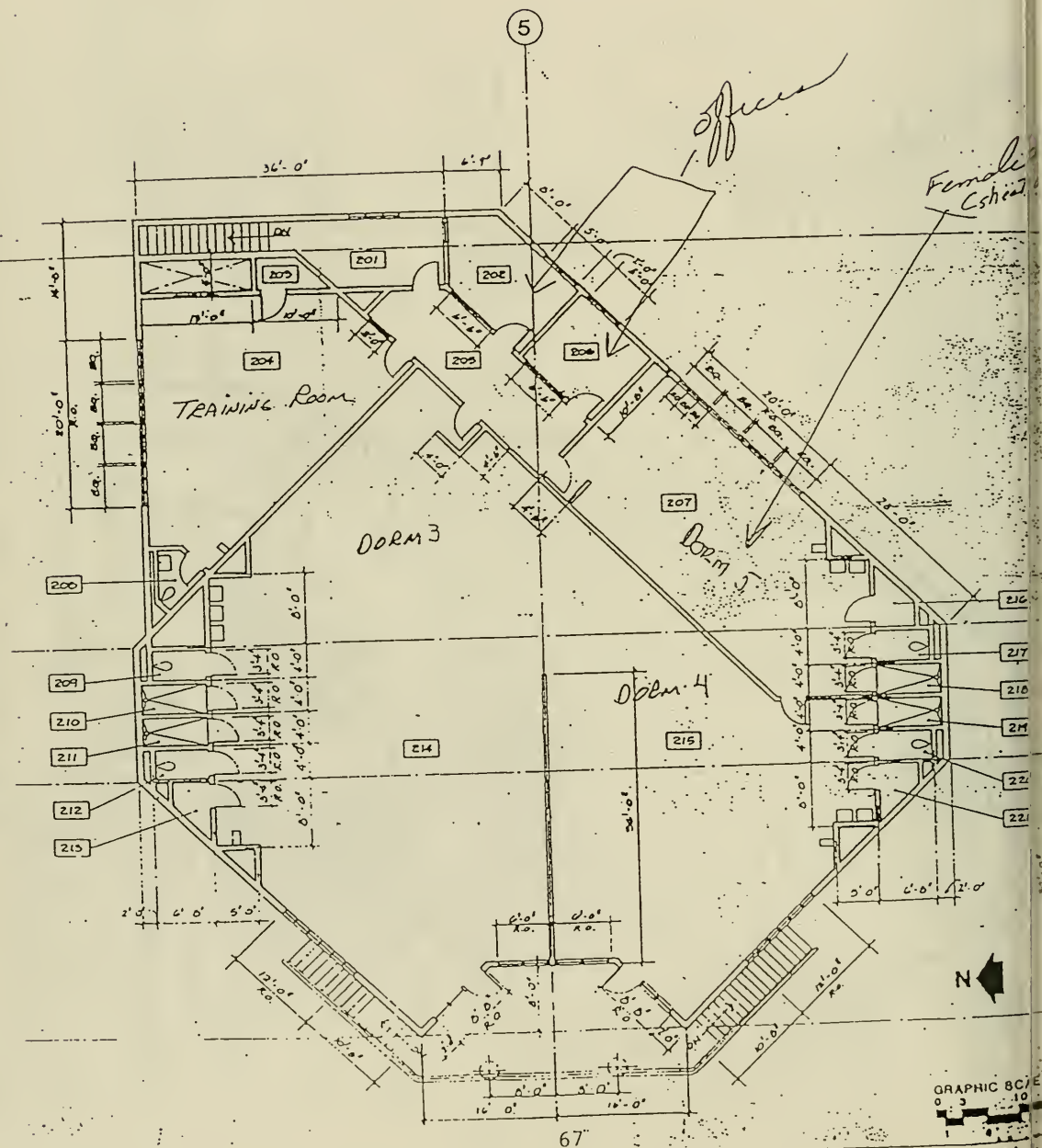
1	Captain
4	Lieutenants
3	Sergeant's
4	Senior Deputies
<u>56</u>	Deputy Sheriff's
68	TOTAL

Civilian Staff

2	Program Coordinators
1	Special Assistant V111
1	Sr. Stationary Engineer
1	Stationary Engineer
<u>1</u>	Plumber
6	TOTAL



2nd Floor-Naval Brig Treasure Island



Item 13 - File 101-97-14

Note: This item was continued by the Finance Committee at its meeting of October 1, 1997.

Department: Department of Public Health (DPH)

Item: Ordinance appropriating \$35,000 from the General Fund Reserve for Other Professional Services for the Community Health Service to provide HIV counseling and testing services at the San Francisco Community College District.

Amount: \$35,000

Source of Funds: General Fund Reserve

Description: The proposed supplemental appropriation ordinance would appropriate \$35,000 from the General Fund Reserve to DPH Community Health Service to provide HIV testing services at the San Francisco Community College District.

According to Ms. Lyn Fischer-Ponce of the DPH, the \$35,000 would fund a 0.9 FTE Disease Control Investigator position from November 1, 1997 through June 30, 1998 to supervise San Francisco Community College District (CCSF) student volunteers who will conduct HIV counseling and testing services one day per week at the Phelan campus of CCSF and one day per week at a CCSF satellite campus. In addition, HIV counseling and testing will be provided at 5 to 6 health fairs through June 1998. Ms. Fischer-Ponce advises that an estimated total of 300 HIV tests will be conducted. A portion of the requested \$35,000 would be used to fund employee field expenses and materials and supplies related to the proposed HIV counseling and testing services at CCSF.

Budget: The budget for the proposed supplemental appropriation of \$35,000 is as follows:

2806 Disease Control Investigator	
(0.9 FTE for 8 months, 11/1/97 – 6/30/98)	\$26,340
Fringe Benefits	7,375
Employee Field Expenses	
(auto mileage reimbursement)	280
Materials and Supplies	
(gloves, training brochures, office materials)	<u>1,005</u>
Total	\$35,000

Comments: 1. According to Ms. Fischer-Ponce, the 0.9 FTE Disease Control Investigator that DPH is proposing to fund under this contract is a currently a 0.8 FTE Federal grant funded

BOARD OF SUPERVISORS
BUDGET ANALYST

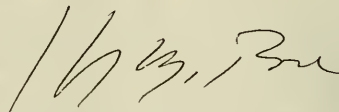
position, approved by the Board of Supervisors in the FY 97-98 budget, who currently works in DPH's District Health Centers and at CCSF's health center.

Ms. Fischer-Ponce reports that the Disease Control Investigator position will be reassigned to provide the proposed HIV counseling and testing services at CCSF. According to Ms. Fischer-Ponce, the Federal grant monies which will be freed up as a result of the reassignment of the Disease Control Investigator position will be used to increase hours for other existing DPH employees to cover for the reassigned Disease Control Investigator position and maintain the level of services currently provided at DPH's District Health Centers.

2. The Attachment, provided by Ms. Fischer-Ponce, contains more detailed information regarding the requested supplemental appropriation.

3. According to Dr. Clark Taylor of CCSF, although DPH would be providing services to CCSF for HIV testing and counseling services at CCSF, the City, and not CCSF, would pay for such services because CCSF does not have available funds.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.



Harvey M. Rose

cc: Supervisor Leal
President Kaufman
Supervisor Brown
Supervisor Ammiano
Supervisor Bierman
Supervisor Katz
Supervisor Medina
Supervisor Newsom
Supervisor Teng
Supervisor Yaki
Supervisor Yee
Clerk of the Board
Controller
Stephen Kawa
Ted Lakey

Monique,

The following historical information may help you to understand the present issue with providing HIV Counseling and Testing Services (CTS) for City College of San Francisco (CCSF).

In early 1995 as part of DPH Outreach efforts the AIDS Office and Bureau of Children, Youth and Families (BCYF) agreed to work cooperatively with Dr. Clark Taylor and his AIDS Education Office at CCSF.

During 1995, an AIDS Office employee (who has now left the city's employ) was attending CCSF and with Dr. Taylor created a program called Project Safe. Project Safe was an HIV/AIDS education group made up of volunteer students from CCSF. The volunteer students would distribute flyers and educational materials at various health fairs on the Phelan and satellite campuses throughout the school year. In addition, the volunteers would refer students into DPH funded HIV CTS programs such as the CCSF Student Health Center or AIDS Health Project's anonymous HIV CTS. As this ex DPH employee was counselor and phlebotomy certified and was performing HIV CTS in his job he asked if it was possible to offer HIV CTS at the health fairs.

DPH's BCYF was providing CTS in the Student Health Center on the Phelan Campus at their women's clinic one day per week. BCYF agreed to rearrange the work hours of their campus assigned Disease Control Investigator (DCI) with the intention of working with the AIDS Office employee/CCSF student and two other DPH certified phlebotomy counselors willing to volunteer time and provide CTS at the health fairs conducted each year with Project Safe. So that is how this whole thing started in the first place.

In August of 1996 in compliance with the HIV Prevention Planning Council (HPPC) all Federal, State and Local funded HIV Prevention Services were put out to bid. This included HIV CTS as it is funded as a Prevention service. Dr. Taylor in collaboration with BCYF applied for funding under RFP 016. They were denied funding. Recommendations were made by the review panels that if BCYF received additional funding through the Federal Cooperative agreement that they should continue to provide the service for CCSF at the health fairs. No DPH funded program was required to respond to RFP 016 because they were given flat Federal Cooperative agreement funding for 1997. Due to flat Federal funding since 1990, BCYF had to cut the hours of their staff, did not have the availability of DPH volunteers and therefore could no longer spare their staff to perform the CCSF health fair HIV CTS program.

The BCYF, DCI that we are proposing to fund for CCSF has been working with the CCSF health fairs and Dr. Taylor since the original agreement. BCYF intends to fund her at 90% through June 30, 1997 to work with CCSF and oversee the provision of CTS at the health fairs and in accordance with State and Federal mandates concerning delivery of HIV counseling and testing. She will be moved off the Federal grant during this time as it takes a lot of hours to get this work accomplished. Our intent is to work with Dr. Taylor so if his program is funded in 98/99 he can run his own program. As we will most likely be 4 months into the contract year by the time these funds are approved it will be easier and faster to supplement the BCYF interdepartmental MOU by attaching a separate exhibit than attempting to develop and certify a contract with CCSF.

Hope this information will help clarify the issues at hand. Monique, please ensure that counseling is always included with testing as it is a service that goes hand and hand. Call me if you need more information. Thanks, Lyn

REVISED - OCTOBER 7, 1997

DOCUMENTS DEPT.

Items 10, 11 and 12 - Files 101-97-20 & 102-97-6 & 172-97-64

OCT 09 1997

Departments: Sheriff Department
Department of Public Works (DPW)

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Items: File 101-97-20: Supplemental appropriation from the General Fund reserve to fund the costs associated with the staffing, operation and capital improvement of the Naval Brig on Treasure Island.

File 102-97-6: Amendment to the FY 1997-98 Annual Salary Ordinance to create 35 new positions and reclassify one existing position in the Sheriff's Department.

File 172-97-64: Ordinance waiving the competitive bidding requirements of Administrative Code Sections 6.01, 6.04 and 6.05 and authorizing the Director of the Department of Public Works and/or the Sheriff to expeditiously enter into contracts for the renovation, furnishing and equipping of the former Navy Brig at Treasure Island and repairs to Jail No. 3.

**Amount of Supplemental
Appropriation:** \$2,100,000

Source of Funds: General Fund Reserve - Treasure Island Brig
established in the FY 1997-98 Budget

Description: The U.S. Naval Station located on Treasure Island and Yerba Buena Island is scheduled for closure by the Federal Government on or about October 1, 1997. The Mayor's Office has been engaged in negotiations with the U.S. Navy in anticipation that the City will ultimately assume full ownership of the Naval Station. The Naval Brig on Treasure Island (the Brig) is a two-story, 25,110 square foot jail facility built by the Federal government in 1992. Mr. Larry Florin of the Mayor's Treasure Island Project Office advises that the City has obtained authority from the Navy to reuse the Brig through a license agreement between the City and the Navy. Mr. Florin advises that this license agreement will be converted into a lease in the near future, which will be submitted to the Board of Supervisors for approval. (See Comment No. 1.)

BOARD OF SUPERVISORS
BUDGET ANALYST

Captain Jan Dempsey of the Sheriff's Department reports that the City has been investigating the potential for use of the Brig during the past year. However, Captain Dempsey states that this effort became more urgent following the July, 1997 United States District Court ruling that Jail No. 3, located in San Bruno, has seismic and fire safety defects which breach the constitutional protections of inmates. As part of the effort to move as many inmates as possible from Jail No. 3, the Sheriff's Department is now seeking to renovate the Treasure Island Brig to permit an average daily occupancy of approximately 140 prisoners who would otherwise be housed at Jail No. 3. (See Comments Nos. 2, 3 and 4.) Captain Dempsey advises that the Navy had planned to have an average daily occupancy of 70 prisoners when the Brig was built, but she states that there is sufficient space in the Brig to house 140 prisoners in compliance with State space standards for jails. Captain Dempsey advises that the Brig was utilized very little by the Navy after its 1992 construction, due to the reduced population at the Naval Station prior to the base closure.

In connection with this effort to renovate and operate the Brig, the Sheriff's Department and the DPW are (1) requesting the expenditure of \$2.1 million from a General Fund Reserve which was established in the FY 1997-98 budget process to fund (a) renovations to the Brig, (b) 35 new permanent staff positions to operate the Brig, and (c) related services, materials and equipment; (2) requesting an amendment to the Annual Salary Ordinance to create the 35 new permanent staff positions; and (3) requesting waiver of competitive bidding requirements for contracts related to renovation of the Brig and repair of Jail No. 3, in order to expedite the completion of such renovations and repairs.

Budget:

In summary, the budget request for the \$2.1 million is as follows:

Capital Improvements	\$442,229
Salaries	908,410
Fringe Benefits	<u>291,741</u>
Subtotal - Personnel	1,200,151
Utilities and Other Services	102,486
Materials and Supplies	129,874
Equipment	170,260
Vehicles	<u>55,000</u>
Total	\$2,100,000

BOARD OF SUPERVISORS
BUDGET ANALYST

A more detailed budget for the \$2.1 million, prepared by the Sheriff's Department, is shown in Attachment No. 1. With the exception of the staff costs, however, the items shown in the budget are preliminary estimates, generally based on the cost of comparable items at other County jails. The capital improvement (i.e. renovation) costs in particular do not represent firm numbers, as will be discussed in more detail in the following section on Proposed Capital Improvements.

Proposed Capital Improvements (\$442,229)

Lt. Michael LaVigne, the Sheriff's Capital Improvement Manager, advises that an estimated \$1,316,950 in capital improvements are needed at the Brig. (See Attachment No. 2.) Lt. LaVigne advises that \$500,000 was budgeted in FY 1996-97 for such capital improvements in the Office of the Chief Administrator. The proposed supplemental appropriation would provide another \$442,229 in funding for capital improvements, leaving an estimated need of \$374,721. Lt. LaVigne states that the Sheriff's Department will allocate another \$150,000 to \$200,000 from its FY 1997-98 facilities maintenance budget for the needed capital improvements at the Brig. According to Lt. LaVigne, the remaining estimated need of \$174,721 to \$224,721 for capital improvements would be deferred until additional funds can be identified.

According to Lt. LaVigne, the Sheriff's Department has contracted with Signal Electric, Inc., a WBE company that complies with the Equal Benefits Ordinance, to conduct fire/life safety system upgrades at an estimated cost of \$226,325 and security system upgrades at an estimated cost of \$273,295, for a total estimated cost of \$499,620, or approximately equal to the \$500,000 previously appropriated for renovation of the Brig.

The Sheriff's Department has determined that, in order to open the Brig, (1) a new perimeter fence must be installed so that inmates can have recreation in a secure setting, and (2) the Brig must be brought into compliance with various State Fire Marshall requirements that are not included under the Signal Electric, Inc., scope of work. Further, additional toilets, showers and related plumbing fixtures must be installed.

The proposed ordinance waiving the competitive bidding requirements for renovation of the Brig (File 172-97-64) would permit the Sheriff to contract with Anchor Fence Company, Inc., to build a perimeter fence, at an estimated cost of \$214,193. Anchor Fence Company, Inc., is not an MBE or a WBE company, but it does comply with the Equal Benefits Ordinance. The cost estimate is based on a bid submitted to the Sheriff by the Anchor Fence Company, Inc.

The Sheriff would also use the competitive bidding waiver to contract with the MLS Construction Company to carry out the remaining fire safety improvements and to install the additional toilets, showers and related plumbing fixtures. The MLS Construction Company is an MBE company that complies with the Equal Benefits Ordinance. The Sheriff is in the process of obtaining a bid from the MLS Construction Company. Lt. LaVigne estimates that the required work will cost approximately \$300,000.

The combined estimated cost of the perimeter fence and the fire safety/plumbing improvements described above is \$514,193. If the requested capital improvement funds of \$442,229 are approved, the Sheriff would fund the balance of \$71,964 from facilities maintenance funds in the Sheriff's FY 1997-98 budget. As stated above, additional facilities maintenance funds, up to approximately \$150,000 to \$200,000 may be used to complete some of the other improvements to the Brig that are listed in Attachment No. 2.

Captain Dempsey states that the proposed waiver of competitive bidding requirements and the \$442,229 for capital improvements should be approved at this time because of the urgent need to renovate and open the Brig. Attachment No. 3, prepared by Mr. George Wong of the City Attorney's Office, states that "Complying with the competitive requirements of the Administrative Code would delay the correction of the potential safety hazards noted" in the order issued by Judge H. William Orrick. The Capital Improvement Advisory Committee recommended approval of the \$442,229 requested for renovation of the Brig on September 22, 1997. (See Comment No. 5.)

Personnel (\$1,201,151 in Salary and Fringe Benefits)

The Sheriff's Department proposes to operate the Brig with a staff of 74, including a total of 56 Sheriff's Deputies, 12 sworn supervisory personnel, and 6 civilian personnel,

including program staff and facility maintenance staff. A total of 37 of the 56 Sheriff's Deputies and 2 of the 12 sworn supervisory personnel would be transferred from County Jail No.3 to the Brig. A total of 35 new permanent positions are proposed to be created (File 102-97-6), including 19 new Deputy Sheriffs, 10 sworn supervisory personnel and all 6 civilian personnel. On an annual basis, these proposed new positions would cost between \$1,983,380 at the first step, including salaries of \$1,534,017 and fringe benefits of \$449,363; and \$2,380,869 at the top step, including salaries of \$1,840,221 and fringe benefits of \$540,648, at current salary levels.

The following table contains the Step 1 and Step 5 salaries for the 35 requested new positions:

No. of Positions	Step 1 Classi- fication	Title	Step 5 (Biweekly- Annual	(Biweekly- Annual
19	8304	Deputy Sheriff	\$1,513 39,489	\$1,835 47,893
4	8306	Sr. Deputy Sheriff	1,674 43,691	2,033 53,061
3	8308	Sheriff's Sergeant	1,844 48,128	2,242 58,516
2	8310	Sheriff's Lieutenant	2,115 55,201	2,571 67,103
1	8312	Sheriff's Captain	2,424 63,266	2,946 76,891
1	1367	Special Assistant VIII	1,611 42,047	1,955 51,025
1	7334	Stationary Engineer	1,846 48,181	1,846 48,181
1	7335	Sr. Stationary Engineer	2,086 54,445	2,086 54,445
1	7347	Plumber	1,975 51,547	2,401 62,666
2 35	8420	Program Coordinator	1,814 47,345	2,204 57,524

The proposed budget of \$908,410 for salaries and \$291,741 for fringe benefits through June 30, 1998, is based on hiring the facilities maintenance staff and four of the supervisory officers by November 1, 1997, and hiring the balance of the supervisory staff, the Sheriff's Deputies and the civilian program staff by November 29, 1997. The Sheriff's Department anticipates opening the Brig on or about February 1, 1998. Captain Dempsey states that personnel would need to be hired approximately two months (or three months, in the case of the maintenance staff and senior supervisory staff) in advance of the Brig opening to permit training and preparation for opening of the Brig.

A description of the nature and purpose of all staff positions at the Brig, prepared by the Sheriff's Department, is shown as Attachment No. 4 to this report. Comments Nos. 6 through 10 provide the basis for the Budget Analyst recommendations regarding the requested new positions, which are listed under Recommendations 2 through 6.

Materials and Supplies (\$129,874)

The proposed budget includes \$27,500 to purchase 100 bunk beds at \$275 per set. Captain Dempsey states that the existing bunk beds at the Brig are wire framed bunks with springs which are dangerous since the springs could be used as weapons. Each of the proposed bunk beds would sleep 2 persons, so the purchase of 100 bunk beds would provide beds for a total of 200 persons. Captain Dempsey states that the request for 100 bunk beds would provide 60 (200 less 140) spare bunk beds for use in the Brig or elsewhere in the County Jails. (See Recommendation No. 7.) A total of 150 mattresses would be purchased at a cost of \$7,500.

The materials and supplies budget also includes uniforms (\$14,500), bullet proof vests (\$11,020) and weapons (\$14,500) for the 29 new sworn personnel positions that would be created under File 102-97-6. Lockers for 70 staff members would be provided at a cost of \$12,250. Captain Dempsey advises that the Brig currently has only 15 quarter-sized lockers, which are not large enough to hold Sheriff's Department uniforms. The office supplies budget of \$6,000, or \$1,000 per month, is based on typical monthly costs at other jails. A budget of \$15,000 for cleaning supplies is designed to provide a start-up inventory and ongoing supplies based on costs at other jails. (See Recommendation No. 8.)

Food costs of \$16,624 are based on an increased daily cost per inmate of \$0.919 over the \$1.096 cost per inmate at Jail No. 3, which was originally quoted to the Sheriff's Department by the Aramark Corporation, which has an existing contract to provide food for all County Jails. However, as of the writing of this report, Captain Dempsey has advised the Budget Analyst that the Sheriff's Department is negotiating with the Aramark Corporation, and anticipates little or no differential in food cost per inmate from that already included in the Department's FY 1997-98 budget. (See Recommendation No. 9.)

The materials and supplies budget also includes \$2,580 for two bottled water dispensers. Captain Dempsey advises that the \$2,400 listed under miscellaneous supplies would fund a \$400 per month pest control contract for six months. Captain Dempsey states that the Sheriff's Department would utilize the existing Citywide contract with Applied Pest Management to provide this service.

Utilities and Other Services (\$102,486)

The \$102,486 budget for services includes garbage pickup, sewer and other utilities, expansion of existing contracts with the Signal Electric Company for maintenance of the fire and security systems, vehicle fuel, background exams for Deputy Sheriff position candidates, to be conducted by firms that have existing contracts with the Sheriff's Department (Dee Moody Investigations and Foundation Health Psychological Services), and wiring for telephones and computers.

Vehicles (\$55,000)

The Sheriff's Department is requesting three vehicles. A Taurus Sedan would be used by the Captain, who would be the Brig facility commander and would be on call 24 hours per day. A Mini Van and a Crown Victoria would be used to transport prisoners to courts, hospitals, etc. However, as of the writing of this report, the Sheriff's Department was discussing the possible use of Navy vehicles for this purpose. Therefore, the Budget Analyst recommends that the \$55,000 requested for the subject three vehicles be reserved pending the outcome of such negotiations. (See Recommendation No. 10.)

Equipment (\$170,260)

The \$170,260 equipment budget includes a total of \$53,100 for 30 handheld radios and 3 radios for vehicles. Ten Scott Air Packs, which are self-contained breathing units used in fire suppression, are budgeted for \$25,000. The equipment budget includes \$8,000 for a hydraulic lift, to change ceiling light bulbs. Captain Dempsey states that the ceilings at the Brig are high and cannot be reached safely with ladders.

Captain Dempsey states that, although the Navy used a common room for inmate meals for fewer than 70 inmates, the Sheriff's Department has determined that, with the larger number of 140 inmates anticipated, this would not be a secure or efficient way to serve meals. The Sheriff's Department plans to serve inmates meals in the dormitory areas, and in this connection is requesting \$16,800 to purchase 14 steel tables with attached stools, which would be bolted to the floor.

Captain Dempsey advises that all County jails have a camcorder for use in filming incidents that occur. The proposed equipment budget includes \$1,550 for such a camcorder. Seventy gunlockers would be purchased for \$15,810. Captain Dempsey states that, in addition to the lockers mentioned above for storage of uniforms, separate lockers are needed for sworn employees to store their weapons. The proposed equipment budget would also provide \$5,000 for purchase of a non-lethal weapon known as an "Arwen," which Captain Dempsey states is a weapon which shoots projectiles containing chemical agents or rubber bullets. Captain Dempsey states that all six County jails have one such weapon.

Finally, the equipment budget includes \$45,000 for purchase of computers and printers. However, Captain Dempsey updated this estimate following submission of an estimate from a vendor, which totaled \$31,500 for nine computers and printers. Therefore, the equipment budget should be reduced by \$13,500, from \$45,000 to \$31,500. (See Recommendation No. 11.)

Comments:

1. Mr. Florin advises that under the City's Cooperative Agreement with the Navy, the City would be required to pay a \$0.05 per square foot per month common area maintenance charge to the Navy once the lease of the Brig is signed. Mr. Florin states that the Sheriff would be responsible for paying this charge. If the lease runs for

approximately seven months (effective December 1, 1997) in FY 1997-98, based on Mr. Florin's estimate of the likely lease approval time, the Sheriff would be charged \$8,789 (\$0.05 times 25,110 square feet times seven months). This amount has not been included in the proposed supplemental appropriation.

2. According to the Sheriff's Department, the current jail population of approximately 500 inmates at Jail No. 3 can be reduced by 240 inmates to 260 inmates by (1) housing 140 inmates at the Brig; and (2) dispersing another 100 inmates through the other five (excluding San Bruno) County Jail facilities.

3. Although two bond measures that would have funded construction of a jail to replace Jail No. 3 in San Bruno were not approved by the voters, the Sheriff's Department is currently reviewing proposals for alternative funding sources to replace County Jail No. 3 without submitting another bond measure for voter approval. Captain Dempsey states that, once a replacement jail has been built, the Sheriff's Department and the Mayor's Office will determine whether or not to continue operation of the Brig as a jail, depending upon the size of the jail population at that time, the number of jail beds in the system, and the City's overall plans for development of Treasure Island. Captain Dempsey advises that the personnel at the Brig would likely be transferred to the replacement jail if a decision is made to close the Brig.

4. Captain Dempsey advises that the Sheriff's Department has not conducted an analysis to determine whether renovation and operation of the Brig is less costly than contracting with Alameda County or Lake County to house the subject 140 inmates. However, Captain Dempsey states that she believes that, after taking into account the higher transportation costs in Alameda County, the overall cost is probably comparable to operation of the Brig. Captain Dempsey states that the overall cost of housing inmates in Lake County may be less than the cost to operate the Brig, but the logistical problems entailed by such long distance housing outweigh the cost advantages of such an arrangement.

5. The Sheriff's Department has identified the contractors who would receive the subject capital improvement funds, their MBE/WBE status and their compliance with the Equal Benefits Ordinance, as described above. We consider the proposed requested waiver of the competitive bidding requirement for such contracts (File 172-97-64) to be a policy decision for the Board of Supervisors.

It should be noted that this proposed ordinance (File 172-97-64) would also waive competitive bidding requirements for contracts related to repair of County Jail No. 3. Lt. LaVigne has identified approximately \$988,000 in repairs that might be carried out at County Jail No. 3, although as of the writing of this report, no decision has been made as to which repairs will be implemented, when they would be implemented or what funding source would be used. Such estimated costs of \$988,000 to repair County Jail No. 3 are not included in this subject supplemental appropriation request (File 101-97-20).

6. The proposed staffing would give the Brig a lower ratio of inmates to sworn staff than any of the other six County jails. Even after a reduction for salary savings, the Brig would have approximately 64 sworn Deputy Sheriffs and supervisory officers, for a projected maximum daily inmate population of 140. In other words, there would be one sworn staff person for approximately every 2.19 inmates. In comparison, at County Jails 8 and 9, which currently have the lowest ratio of inmates to staff, there is approximately one sworn staff person for every 2.34 inmates; at County Jails 1 and 2 there is approximately one sworn staff person for every 4.22 inmates, and at County Jails 3, 5 and 7 in San Bruno there is approximately one sworn staff person for every 7.12 inmates. This data is based on staffing figures from the Sheriff's Program Budget for FY 1997-98, and average inmate data provided by the Sheriff in June of 1997.

As shown in Attachment No. 4, the Sheriff states that all of the Deputy Sheriff positions at the Brig would staff fixed posts (i.e. posts that must be staffed 24 hours per day). Using a relief factor of 1.78, each post requires staffing by at least 5 positions.

7. Two of the posts, which would be staffed by a total of 10 Deputy Sheriffs, are assigned to Cell Blocks A and B, respectively, which each contain a total of five individual cells which meet double cell space requirements and thus can accommodate a maximum of 10 inmates each. Captain

BOARD OF SUPERVISORS
BUDGET ANALYST

Dempsey states that these two posts could not be combined into one post that would move back and forth between the two cell blocks, because of the layout of the building, which would require the officers staffing the post to walk around the control room to travel between the cell blocks, and prohibit viewing of both cell blocks simultaneously. However, the Budget Analyst believes that every possible alternative, including changes in the configuration of the Brig or leaving the cell blocks empty should be examined to overcome the inefficiencies of allocating 10 Deputy Sheriff positions to provide full time, around the clock monitoring for two posts to guard a total of 10 cells, containing a maximum of 20 inmates, or a ratio of one Deputy Sheriff position for every two inmates.

In contrast, the remaining 120 maximum number of inmates (140 total less 20 to be housed in Cell Blocks A and B) would be monitored from three posts requiring 15 Deputy Sheriffs (See Attachment No. 4 provided by the Sheriff's Office), or a ratio of one Deputy Sheriff position for every 8 inmates, compared to the proposed one Deputy Sheriff position for every 2 inmates at Cell Blocks A and B.

Therefore, the Budget Analyst recommends that the posts assigned to Cell Blocks A and B be combined, thereby reducing the required staffing by 5 Deputy Sheriffs, at a savings of \$96,554 in salaries and approximately \$22,676 in fringe benefits or a total of \$119,230 in FY 1997-98 or an annual savings of approximately \$316,333 at Step 5, including \$239,465 in salaries and \$76,868 in fringe benefits.

At a minimum, the Budget Analyst recommends reserving the \$119,230 and withholding approval of the subject 5 Deputy Sheriff positions, pending provision to the Finance Committee of a report by the Sheriff examining (1) the relative cost of remodeling the building to permit combining the Cell Block A and B posts versus the ongoing annual cost of these positions; and (2) the option of not using one or both of the cell blocks because of their exorbitant staffing expense.

8. The proposed staffing plan would provide 12 supervisory officers for 56 Deputy Sheriffs. The Budget Analyst recommends disapproving one of the requested 2 new 8310 Sheriff's Lieutenants, because during the daytime shift it should be sufficient to have supervision by the Captain, Sergeant and Senior Deputy. Elimination of this one position would save \$35,617 in salaries and \$10,620 in fringe benefits in FY 1997-98 or a total of \$46,237. The Sheriff

BOARD OF SUPERVISORS
BUDGET ANALYST

disagrees with this recommendation, stating that "If the Lieutenant is not approved, the Treasure Island Facility will operate without a Lieutenant on the midnight watch." Our recommendation is to eliminate the Lieutenant on the day shift when the Captain, Sergeant, and Senior Deputy are on duty.

In addition, the Budget Analyst recommends disapproval of three of the requested four new 8306 Senior Deputy Sheriffs. Even if one of the two daytime Lieutenant positions described above is not approved (as the Budget Analyst has recommended), both non-daytime shifts would be staffed by a Lieutenant and a Sergeant, in addition to the Captain. Planned transfers from Jail No. 3 will also permit staffing by one 8306 Senior Deputy Sheriff during the daytime shift, to work with the Sergeant. The Budget Analyst believes that four layers of management should not be required to supervise 56 Deputy Sheriffs and oversee operations for 140 inmates. Elimination of three of the four requested 8306 Senior Deputy Sheriff positions would save \$88,676 in salaries and \$22,650 in fringe benefits in FY 1997-98 or a total of \$111,326. The Sheriff, after reviewing the proposed staffing level, believes that three of the four Senior Deputy positions are necessary and would agree to a reduction of only one Senior Deputy position.

9. The proposed staffing plan would provide a Senior Stationary Engineer and a Stationary Engineer, as well as a Plumber. In the professional judgment of the Budget Analyst, the Brig should not require the full time, permanent services of two engineers. Captain Dempsey states that two engineers are needed. However, it should be possible to obtain the services of an engineer from one of the other jails or from the DPW to handle urgent problems when the staff engineer is not available. Captain Dempsey states that the Department of Public Works (DPW) charges a high administrative fee and requires that a minimum number of hours be billed. The Budget Analyst notes that both DPW and the Sheriff work for the City and a cooperative, reasonable agreement could be reached to assist the Sheriff in the event of emergencies. The FY 1997-98 savings by eliminating the 7334 Station Engineer is \$31,862 in salaries and \$5,466 in fringe benefits or a total savings of \$37,328.

10. The proposed Special Assistant VIII position at an annual salary of \$51,025 at the top step would serve not only the Brig, but also other jail facilities in collecting and maintaining data on participation by inmates in

BOARD OF SUPERVISORS
BUDGET ANALYST

educational and vocational instructional programs. The Sheriff's Department states that this position is needed to improve efforts to raise funds for such programs. While this may be a justifiable position, it does not directly relate to functioning of the Brig. The Budget Analyst recommends that the Special Assistant VIII position be cut at this time. The Sheriff's Department should request such a position, if it is needed, in the context of the annual budget process. Elimination of the requested 1367 Special Assistant VIII position would save \$37,328 in salaries and \$4,097 in fringe benefits in FY 1997-98, for a total of \$41,425.

11. In summary, the Budget Analyst recommends that 11 of the 35 requested new positions be disapproved. It should be noted that, in addition to the 35 requested new positions, an additional 39 positions are to be transferred from Jail No. 3 for a total allocation of 74 positions to staff the Brig.

12. The Budget Analyst's recommendations, listed below, represent a reduction in the supplemental appropriation of \$400,045 from \$2,100,000 to \$1,699,955, and reserves totaling \$55,000.

13. The Sheriff requests that any reductions to the operating budget for the Brig be reserved by the Finance Committee for use in carrying out further capital improvements which are not funded by the subject supplemental appropriation but should, in the judgment of the Sheriff, be carried out. The Budget Analyst does not disagree, as long as any additional capital improvements are justified by the Sheriff to the Finance Committee.

14. This report has been reviewed by the Mayor's Treasure Island Project Office and by the Sheriff's Department. The Sheriff's response, issued on October 6, 1997, in which he disagrees with all of the recommended personnel reductions with the exception of deleting one Senior Deputy position, is included as Attachment No. 5 to this report.

Recommendations: 1. Waiver of the competitive bidding requirements for contracts to repair or renovate the Brig and County Jail No. 3 (File 172-97-64) is a policy decision for the Board of Supervisors.

2. Do not approve the creation of five of the 19 proposed 8304 Deputy Sheriff positions. Reduce the supplemental appropriation by \$119,230. (See Comment No. 7.) At a minimum, reserve the \$119,230 and withhold approval of the subject 5 Deputy Sheriff positions, pending provision to

BOARD OF SUPERVISORS
BUDGET ANALYST

the Finance Committee of a report by the Sheriff examining (1) the relative cost of remodeling the building to permit combining the Cell Block A and B posts versus the ongoing annual cost of these positions; and (2) the option of not using one or both of the cell blocks because of their exorbitant staffing expense.

3. Do not approve one of the requested 8310 Sheriff's Lieutenant positions. Reduce the supplemental appropriation by \$46,237. (See Comment No. 8.)

4. Do not approve three of the requested four 8306 Senior Deputy positions. Reduce the supplemental appropriation by \$111,326. (See Comment No. 8, second paragraph.)

5. Do not approve the 7334 Stationary Engineer. Reduce the supplemental appropriation by \$37,328. (See Comment No. 9.)

6. Do not approve the 1367 Special Assistant VIII position. Reduce the supplemental appropriation by \$41,425. (See Comment No. 10.)

7. The proposed materials and supplies budget would fund the purchase of 30 extra bunk beds, over the 70 needed to provide beds for 140 prisoners (see section on Materials and Supplies). The Budget Analyst recommends that the budget provide 5 spare bunk beds, rather than 30 spare bunk beds. The Materials and Supplies budget should be reduced by \$6,875 (25 bunk beds times \$275 per bunk bed).

8. Captain Dempsey states that the \$15,000 budgeted for cleaning supplies can be reduced by \$7,500, to \$7,500. Captain Dempsey states that the Sheriff's Department will absorb any cleaning supply costs above \$7,500 in its FY 1997-98 budget. Therefore, a reduction of \$7,500 should be made.

9. As described under Materials and Supplies, the Sheriff is negotiating with the Aramark Corporation, which holds the contract to provide food at County Jails, and anticipates that the cost of food per prisoner per day will be similar to the \$1.096 that the Sheriff currently pays at Jail No. 3. Therefore, the \$16,624 budgeted to fund higher food costs should be deleted from the Materials and Supplies request. Therefore, the total Materials and Supplies request of \$129,874 should be reduced by \$30,999 (\$6,875 plus \$7,500 + \$16,624) to \$98,875.

10. Reduce the \$45,000 requested for computers and printers

BOARD OF SUPERVISORS
BUDGET ANALYST

by \$13,500, based on a recent estimate provided by a vendor (see section on Equipment) and reduce the total Equipment requested of \$170,260 by \$13,500 to \$156,760.

11. Reserve the \$55,000 requested for purchase of three vehicles, pending the outcome of negotiations with the Navy regarding the City's use of Navy vehicles (see section on Vehicles).

12. In total reduce the supplemental appropriation request (File 101-97-20) of \$2,100,000 by \$400,045 to \$1,699,955 and reserve \$55,000 of the recommended amount of \$1,699,955.

13. Approval of the proposed supplemental appropriation (File 101-97-20), as amended, is a policy matter for the Board of Supervisors.

14. Amend the Annual Salary Ordinance (File 102-97-6) by deleting the 11 positions as recommended above. Approval of the Annual Salary Ordinance, as amended, is a policy decision for the Board of Supervisors.

Fiscal Year 1997-98 Costs for Treasure Island Brig - 140 Prisoners
Opening Date 2/1/98

PERSONNEL

Hire 11/01/97 17.26 pp

1 - 7335 Sr. Stationary Engineer	\$36,004
1 - 7334 Stationary Engineer	\$31,862
1 - 7347 Plumber	\$40,820

\$108,686

Fringe @ 17.155%

\$18,645

1 - 8312 Captain -	\$46,136
1 - 8310 Lieutenant	\$40,285
1 - 8308 Sergeant	\$36,142
1 - 8306 Senior Deputy	\$33,433

\$155,996

Fringe @ 24.965%

\$38,944

H/S @ \$216 pp for 7

\$26,097

Hire 11/29/97 15.26 pp

1 - 8310 Lieutenant	\$35,617
2 - 8308 Sergeant	\$63,909
3 - 8306 Senior Deputy	\$88,676

\$188,202

Fringe @ 24.965%

\$46,985

19 - 8302 Deputy Sheriff 1	\$366,484
Fringe @ 15.655%	\$57,373

2 - 8420 Program Coordinator	\$65,160
1 - 1367 Special Assistant VIII	\$23,882

\$89,042

Fringe @ 17.155%

\$15,275

H/S @ \$216 pp for 28

\$92,292

Total

\$1,204,021

MATERIALS AND SUPPLIES

Bunks (\$275 a set)	\$27,500
Vests for 29 (@\$380)	\$11,020
Lockers for 70 (@\$175)	\$12,250
Office Supplies (@ \$1000 per mo)	\$6,000
Uniforms for 29 (@\$500)	\$14,500
Weapons/Leather (@ \$500)	\$14,500
Bottled Water (2 @ \$430 per mo)	\$2,580
Food Costs (\$2.015)	\$16,624
Cleaning Supplies	\$15,000
Mattresses at \$50 ea	\$7,500
Clothing	0
Miscellaneous Supplies	\$2,400
Total	\$129,874

SERVICES

Garbage (@ \$280 p/u)	\$29,120
Sewer/Utilities (@ \$5000 per mo)	\$30,000
Fire Maintenance @ \$496 per mo)	\$2,976
Security Maintenance @ \$500 per mo)	\$3,000
Vehicle Fuel @ \$400 per mo	\$2,400
Background exams for 50 at \$300 each	\$15,000
Wiring for phones and computers	\$19,990
Total	\$102,486

VEHICLES

1 Taurus Sedan	\$15,000
1 Mini Van	\$20,000
1 Crown Victoria	\$20,000
Total	\$55,000

EQUIPMENT

30 Handheld Radios-HT 1000 at \$1570 each	\$47,100
Radios for Vehicles @ \$2000	\$6,000
Scott Air Packs @ \$2500	\$25,000
Hydraulic Lift	\$8,000
Security Tables @ \$1200	\$16,800

EQUIPMENT (continued)

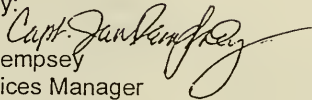
1 Camcorder	\$1,550
Gunlockers for 70 - @\$2635 for 12 bank	\$15,810
Arwen	\$5,000
Computers with Printers @ \$7500	\$45,000
Total	\$170,260

SUMMARY

Personnel	\$1,200,151
Materials and Supplies	\$129,874
Services	\$102,486
Vehicles	\$55,000
Equipment	\$170,260
Capital Improvements	<u>\$442,229</u>

Total Request \$2,100,000

Prepared and Submitted by:


Captain Jan Dempsey
Financial Services Manager
September 11, 1997

Brig - Capital Cost Estimates**Estimates****Item**

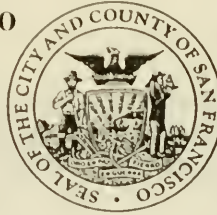
1 Smoke Detection System Upgrades and Replacement	\$226,950
2 Security System Upgrades and Replacement	\$240,000
3 Security Fencing and Yard/Emergency Refuge Area	\$250,000
4 CSFM Code Required Upgrades	
M.I.S Construction	\$300,000
DPW	\$100,000
5 Kitchen & Laundry Upgrades	\$100,000
6 DPH/JPS Upgrades	\$50,000
7 Miscellaneous Operational Modifications	\$50,000
Total - Brig Capital Costs	\$1,316,950

The City Attorney's Office opines that waiver of the competitive bidding requirements of Administrative Code Sections 6.01, 6.04 and 6.05 is proper in light of the order issued by Judge H. William Orrick of the United States District Court finding that Jail No. 3 suffers from serious constitutional defects that may pose a safety to the safety of the inmates presently housed there. Amongst the defects, the Judge found the following: (1) there was a potential fire hazard because of the absence of fire rated door assemblies and the need of additional fire sprinklers; (2) there was a seismic risk because of the jail's structural deficiencies and its close proximity to the San Andreas fault; and (3) the jails water, plumbing and sewer systems were inadequate and potentially created safety hazards.

In light of the Judge's findings, the Sheriff's Department and the Director of Public Works believe that renovations to the former Navy Brig at Treasure Island and repairs to Jail No. 3 should be made promptly to ensure that the facilities are safe for the housing of inmates. Complying with the competitive requirements of the Administrative Code would delay the correction of the potential safety hazards noted in the Judge's Order.

City and County of San Francisco

OFFICE OF THE SHERIFF



Michael Hennessey
SHERIFF

(415) 554-7225

September 29, 1997

Eve Sternberg
Budget Analyst Office
Board of Supervisors
Fox Plaza, 10th Floor
San Francisco, CA 94103

Dear Ms. Sternberg:

Enclosed is a detailed breakdown by posts for all staff for the Treasure Island jail facility. All posts are fixed posts, required seven days a week, with the relief staff necessary to maintain a constant presence in areas where prisoners will either be housed or attending classes. The relief factor for a seven day a week post is 1.78. No relief is applied to Supervisory personnel. Also enclosed is a floor plan for the facility.

SWORN STAFF

Outer Perimeter

The outer perimeter post is necessary to provide for constant security rounds of the facility. This is required to minimize the likelihood of escapes, prevent, to the extent possible, attempted escapes and to maintain a general level of security for the persons inhabiting the Island. This post is required on all 3 watches. On the 2nd watch, 0800 to 1600 HRS., this post also provides security and visual observation of prisoners participating in recreation within the perimeter recreation yards.

Control Room

The control room is the heart of all security operations. The security panel and main fire panel is located in the control room. The security panel controls all interior and perimeter doors at the facility. All movement within the facility is controlled by the control room. This post is required on all 3 watches.

Dorms 1 and 2

This housing unit is on the first floor and is designed with a 3/4 wall in the center of the dormitory. There will be 30 prisoners on each side and 1 deputy assigned on each watch. A staff person is needed at all time to insure proper supervision.

Dorms 3 and 4

This housing is on the second level of the jail facility and is similiar in design to Dormitories 1 and 2.. This housing area can hold 40 prisoners and requires one staff person on each watch. A staff person is needed at all times to provide proper supervision.

Dorm 5

This housing is adjacent to dorms 3 and 4, separated by a full wall with a door way opening to dorms 3 and 4. This smaller dormitory can hold 20 prisoners and requires one staff person on each watch to insure the proper supervision of the prisoners.

Cell Block A

This is located on the first floor, northside, and is comprised of 5 single cells which meet double cell space requirements. This unit can hold 5 to 10 prisoners and requires a staff person on each watch to insure proper supervision of the prisoners housed there.

Cell Block B

This is located on the first floor, southside, and is comprised of 5 single cells which meet double cell space requirements. This unit can hold 5 to 10 prisoners and requires a staff person on each watch to insure proper supervision of the prisoners housed there.

Floater/Relief

This post is to provide the necessary relief for meal breaks at the various post positions in the jail facility. Staff are entitled to a 15 minute break and a 30 minute lunch break. On the 2400 to 0800 HRS watch and the 1600 to 2400 HRS. watch, the relief post will also assist in monitoring the distribution of meals to the prisoners and will be responsible for pulling prisoners in the morning for court and processing in the late court returns in the afternoon who arrive after 1500 HRS. On the 0800 to 1600 HRS. watch, 2 positions for this purpose are necessary due to the high level of activity on a daywatch. Prisoners need escort to attorney visits, to attend classess out of dormitories, to go to medical and recreation.

The following are primarily daywatch functions and are staffed only on the daywatch:

Kitchen/Laundry

The jail facility has a kitchen and laundry across the hall from one another, allowing for one deputy to provide adequate supervision in both areas. This post will also be responsible for maintaining adequate supplies and inventory of necessary items throughout the jail facility.

Movement

This post is needed to provide the necessary supervision for movement to classes on the first and second floors of the jail facility. Further, the movement post, with the relief and floater posts, will be responsible for escorting prisoners to attorney visits, regular visits, recreation, medical and dental appointments and assisting in meal delivery.

Classification/Processing

This post is needed to review housing cards of prisoners received to insure proper housing and classification. This post also interviews prisoners upon arrival. This post is also responsible for processing the newly arrived prisoners into the jail facility, insure they have necessary bedding and clothing and explain jail rules and regulations.

Transportation

Transportation teams are required for overlapping shifts to insure the proper number of staff to get prisoners to court at the Hall of Justice and to return them to the jail facility after court has concluded. Generally, court vans will leave by 0700 and return several times a day with court returns. The last vans should be received between 1500 and 1600 HRS. All transportation personnel travel in teams of two officers for officer safety reasons. On weekends, transportation will be provided from the Hall of Justice to Treasure Island to assist the family members and other friends of prisoners housed on Treasure Island to receive visits.

Supervisory Personnel

The Captain is the Facility Commander and responsible for the 24 hour operation of the jail facility.

There is a Lieutenant (Watch Commander), Sergeant (Assistant Watch Commander) and Senior Deputy (Housing Supervisor) assigned to each shift. On the 0800 to 1600 HRS. shift, there is an additional Lieutenant (Administrative/ Training Supervisor) and an additional Senior Deputy to oversee the housing and educational areas in the jail facility.

CIVILIAN STAFF

Program Coordinators

Two program coordinators are required to provide necessary supervision to instructors providing educational and vocational instruction to prisoners through the Prisoner Jail Programs. As in other jail facilities, classes will begin at 0900 and conclude at 2000 HRS. Adequate and necessary coverage requires two personnel for this purpose. The other Direct Supervision jails, which have similar programs, have 2 Program Coordinators on site to provide necessary coverage.

Special Assistant VIII

This is a newly created position to assist Program staff at Treasure Island and in other jail facilities to maintain adequate records of attendance and completion rates for prisoners. This information assists in obtaining funds for the Prisoner Programs through Milpitas School District and assists the Department in actively and aggressively competing for grant funds to enhance the programs offered in the jail facilities. To date, this function has not been staffed and information needed for grants, in particular, has been sorely lacking. A newly designed computer system will be in place by the time Treasure Island opens, affording the Department the opportunity to begin a reliable collection of information. No support staff is available to the Programs personnel for this necessary function. This new position will provide the necessary support. The JAQ, prepared for the Department of Human Services, will also be faxed to you.

Engineers

Engineers are needed to perform routine maintenance and emergency repairs at the jail facility. At least two are needed to insure coverage at least five days a week. Existing engineering staff within the Sheriff's Department are unavailable for reassignment as repairs must be continued at San Bruno in light of the recent court decision. General maintenance needs include repairing locks, replacing lights, addressing electrical problems which may arrive, installation of necessary equipment, such as bunks and tables, and general building maintenance. The Department can not rely on routine maintenance from the Department of Public Works due to the workload at that Department.

Plumber

A plumber is needed to provide routine maintenance and emergency repairs as needed in the laundry, kitchen and housing areas. Clogged toilets and drains are very problematic in a jail facility, especially in dormitory housing where a limited number of toilets and showers are available.

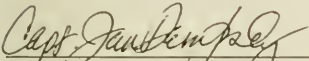
SWORN STAFF REASSIGNED FROM COUNTY JAIL #3 (SAN BRUNO)

The County Jail #3 facility is budgeted for 104 positions. 65 positions are required to operate the areas of the jail which will remain open, including the kitchen and laundry which are required for County Jail #7, located on the same grounds. 39 positions will be reassigned to the Treasure Island jail facility. These positions are 1 Lieutenant, 1 Sergeant and 37 Deputy Sheriff's.

I will be sending a list of capital improvements to you before noon today. It appears we may not have an answer about the availability of vehicles at Treasure Island until sometime next week. I will still do my best to get a commitment from the Mayor's Office staff at Treasure Island about securing vehicles already on the Island.

I hope this information addresses some of the concerns you expressed yesterday. If you have any questions regarding this information, please contact me at 553-9504.

Sincerely,


JAN DEMPSEY, CAPTAIN
Facility Commander, CJ#1

STAFFING PLAN FOR TREASURE ISLAND 9/97

Sworn Staff

2400 to 0800 HR. Watch (Minimum)

Outer Perimeter	1
Control Room	1
Dorm 1 and 2	1
Dorm 3 and 4	1
Dorm 5	1
Cell Block A	1
Cell Block B	1
Floater/Relief	1
Supervisor	1

Total Required: 8 Posts with relief (1.78) = 14 Deputy Sheriff's

3 Supervisors
Total 17

0800 to 1600 HR. Watch (Minimum)

Recreation/ Outer Perimeter	1
Control Room	1
Dorm 1 and 2	1
Dorm 3 and 4	1
Dorm 5	1
Cell Block A	1
Cell Block B	1
Kitchen/Laundry	1
Movement	1
Classification/ Processing	1
Floater/Relief	2
Supervisors	2

Total Required: 12 Posts with relief (1.78) = 21 Deputy Sheriff's

6 Supervisors
Total 27

1600 to 2400 HR. Watch (Minimum)

Outer Perimeter	1
Control Room	1
Dorm 1 and 2	1
Dorm 3 and 4	1
Dorm 5	1
Cell Block A	1
Cell Block B	1
Floater/Relief	1
Supervisor	1

Total Required: 8 Posts with relief (1.78) = 14 Deputy Sheriff's
3 Supervisors
Total 17

Transportation
2 teams are required.

4 Deputy Sheriff's with relief (1.78) = 7 Deputy Sheriff's

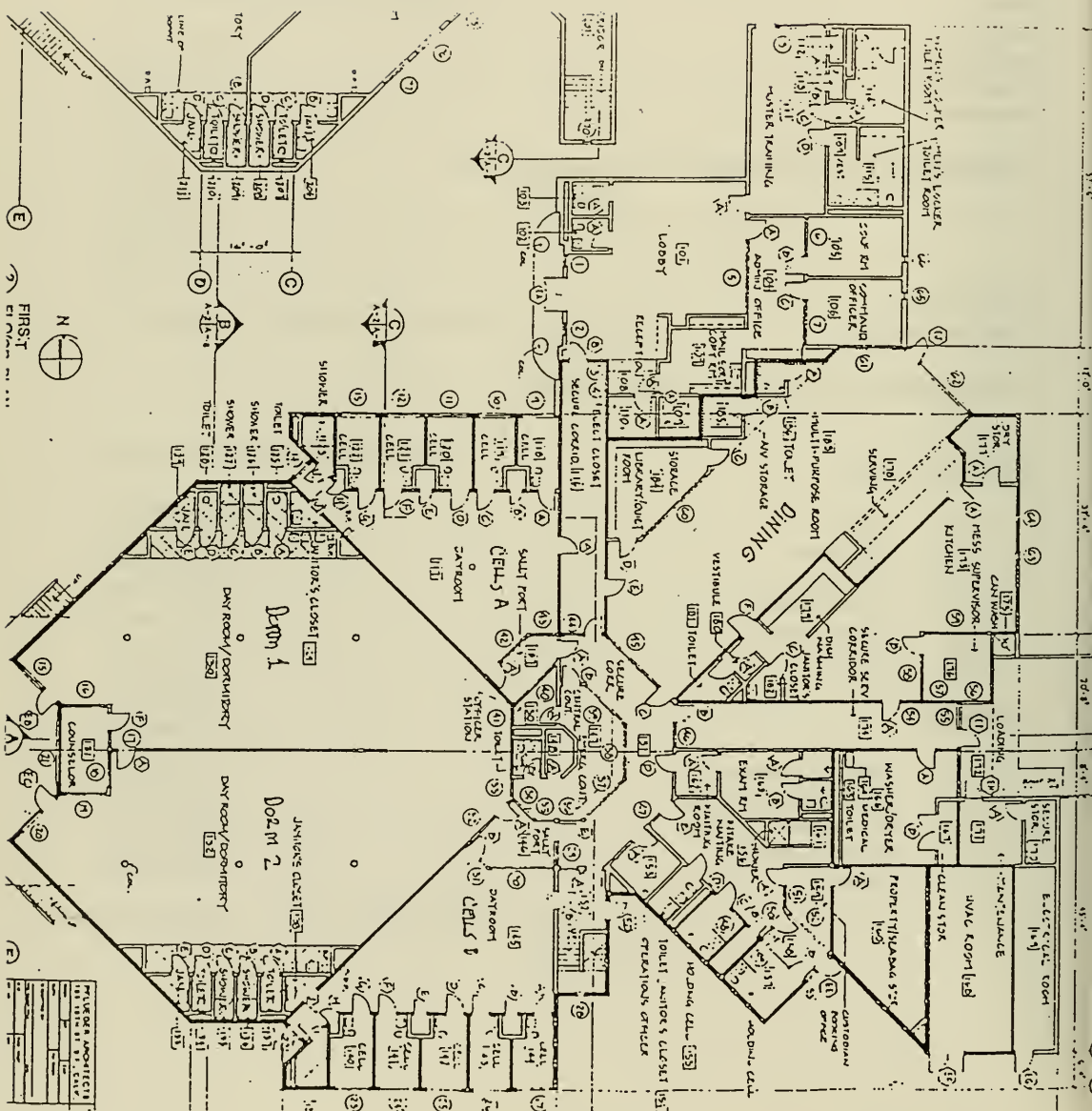
Total Sworn Needed:

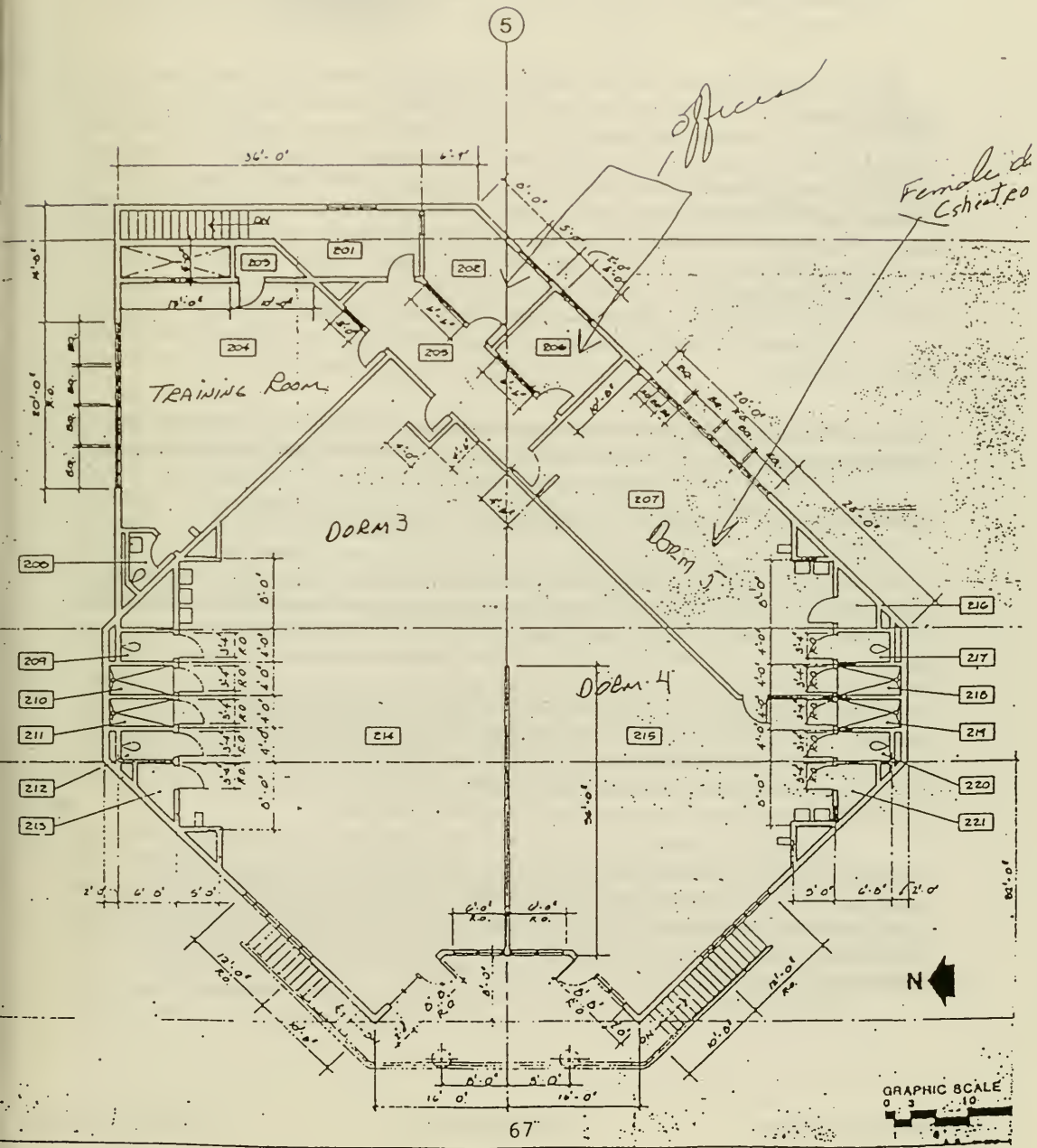
1	Captain
4	Lieutenants
3	Sergeant's
4	Senior Deputies
<u>56</u>	Deputy Sheriff's
68	TOTAL

Civilian Staff

2	Program Coordinators
1	Special Assistant V111
1	Sr. Stationary Engineer
1	Stationary Engineer
<u>1</u>	Plumber
6	TOTAL

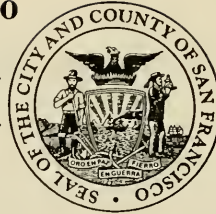
Measure Island





City and County of San Francisco

OFFICE OF THE SHERIFF



Michael Hennessey
SHERIFF
(415) 554-7225

October 6, 1997

Eve Sternberg
Budget Analyst Office
Board of Supervisors
Fox Plaza, 10th Floor
San Francisco, CA 94102

Dear Ms. Sternberg:

The Sheriff's Department has reviewed the recommendations made in your report regarding the supplemental appropriation for the Treasure Island Brig. I am providing the following response:

Recommendation 1: The Sheriff's Department agrees with this recommendation.

Recommendation 2: The Sheriff's Department disagrees with this recommendation. No housing unit can be opened without the available staff to provide uninterrupted supervision. Both A and B block cannot be operated by 1 post position as they are physically separated, with no connecting doorway or hallway that provides for clear unobstructed vision. Your report indicates the Sheriff needs 10 Deputy Sheriff's to supervise 5 cells with a maximum of 10 prisoners. This is not correct. The deputy positions are required to supervise 2 separate housing units, each containing 5 cells with a maximum of 10 prisoners. So the Deputy positions are supervising a total of 20 prisoners. If these positions are not approved, the Sheriff's Department will be unable to open one of these blocks of housing. This will reduce the total prisoners housed at Treasure Island by 10 and will not maximize the housing available in the brig.

Recommendation 3: The Sheriff's Department disagrees with this recommendation. If the Lieutenant is not approved, the Treasure Island Facility will operate without a Lieutenant on the midnight watch. With a facility completely isolated as the Treasure Island brig is from other jails and emergency response staff, it is critical to have a Lieutenant in the Watch Commander position, assigned to each shift.

Recommendation 4: The Sheriff's Department disagrees with this recommendation. Each shift requires a minimum of 1 Senior Deputy to insure adequate supervisor coverage seven-days-a-week. If 3 of the 4 positions are not approved, the Department will require the use of overtime to insure the proper supervision of shifts. After reviewing the proposed staffing level, the Sheriff believes three of the four are needed and would agree to a reduction of 1 Senior Deputy.

Recommendation 5: The Sheriff's Department disagrees with this recommendation. Only the San Bruno compound and the New Sheriff's facility have engineering staff. The staff assigned to these sites are routinely occupied with preventative maintenance and emergency repairs. It is not possible to routinely expect an engineer can be reassigned to cover a vacancy at Treasure Island. The Department of Public Works is not readily available for repairs at Treasure Island. They are generally only able to respond in the event of an emergency to other Sheriff's Facilities. And, when they do respond on an emergency basis, there is a very high administrative fee and a guaranteed minimum number of hours billed. Since the Sheriff's Department will have to commit most, if not all, of the Facility Maintenance funds in FY 1997-98 to renovate Treasure Island, the Sheriff's Department will not have funds to use to request any service from the Department of Public Works. The second engineer is necessary to work on preventative maintenance issues and respond to emergencies as they arise.

Recommendation 6: The Sheriff's Department disagrees with this recommendation. While it is true the position requested is not for the sole use of Treasure Island, it is the case the addition of another program jail in yet another geographically distinct location is stretching the consistent collection information and statistics beyond the Department's capability. Programs are operated in every jail in the system, in three separate geographic locations. There have been no increases in staffing for this function. There is a less than adequate method of collecting information and evaluating programs in place which will be unable to encompass Treasure Island. If the Department is to continue collecting statistical information and evaluating program effectiveness in an effort to maximize the use of resources, this position is needed.

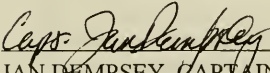
The Sheriff's Department agrees with recommendations 7 through 11. However, the Sheriff requests that \$8789 be added from the savings realized to pay for the per month common area maintenance charge identified in Comment 1 of your report. The Sheriff's Department was unaware of this cost when the supplemental was submitted.

The Sheriff's Department also disagrees with Comment 13 of your report. The Sheriff's Department has prepared a list of capital projects which need to be done, but for which estimates have not been gotten, given the priority and urgency of the immediate renovation projects. The Sheriff's Department strongly requests that any savings realized through recommendations from your office which are accepted by the Finance Committee be added to the reserve and set aside for continuing capital needs at Treasure Island. The Sheriff's Department understands the release of the reserve would be contingent on the Department providing adequate detail to satisfy questions from the members of the Finance Committee.

The Sheriff's Department appreciates this opportunity to respond to your report.

If you have any questions, please contact me at 554-7225.

Sincerely,


JAN DEMPSEY, CAPTAIN
Facility Commander, CJ#1

cc: Sheriff Michael Hennessey
Andres Acevedo, Mayor's Office

1st Posted 10/9/97
DOCUMENTS DEPT.

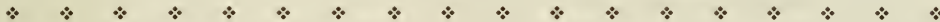
SAN FRANCISCO
PUBLIC LIBRARY

REGULAR MEETING

VETERANS BUILDING
401 VAN NESS AVENUE, ROOM 410
SAN FRANCISCO, CA 94102

MEMBERS: Supervisors Susan Leal, Barbara Kaufman, Amos Brown.

CLERK: Rosemary Little-Horanzky



Both the Committee Room (Room 410) and the Chamber (Room 404) are wheelchair accessible. The closest accessible BART Station is Civic Center, four blocks from the Veterans Building. Accessible MUNI lines serving this location are: #42 Downtown Loop and the #71 Haight/Noriega and the F line to Market and Van Ness and the METRO stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call 923-6142.



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The following services are available on request 48 hours prior to the meeting or hearing:

- ❖ For American sign language interpreters or the use of a reader during a meeting, contact Violeta Mosuela at (415) 554-7704.
- ❖ For a large print copy of an agenda, contact Moe Vazquez at (415) 554-4909.

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FINANCE COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

REGULAR MEETING

WEDNESDAY, OCTOBER 15, 1997 - 1:00 P.M.

VETERANS BUILDING
401 VAN NESS AVENUE
ROOM 410

MEMBERS: SUPERVISORS SUSAN LEAL, BARBARA KAUFMAN, AMOS BROWN

CLERK: ROSEMARY LITTLE-HORANZY

1. File 147-92-2.2. [Reserved Funds, Public Library] Hearing to consider release of reserved funds, Public Library (LSCA Federal Grant), in the amount of \$456,750 to fund the Mission Branch Library Renovation Project; companion measure to File 101-93-105.3. (Supervisor Leal)

ACTION:

2. File 101-93-105.3. [Reserved Funds, Public Library] Hearing to consider release of reserved funds, Public Library (1988 Library Improvement Bond Interest), in the amount of \$769,301, to fund the Mission Branch Library Renovation Project; companion measure to File 147-92-2.2. (Supervisor Leal)

ACTION:

3. File 170-94-1.3. [General Obligation Bonds] Motion ratifying the award of the first series of the General Obligation Refunding Bonds, in an aggregate principal amount not to exceed \$600,000,000. (Supervisor Leal)

ACTION:

4. File 195-97-1. [Jail Overcrowding Fine Account] Resolution authorizing the Sheriff to supplement its existing contract with the San Francisco Pretrial Diversion Project in the amount remaining in the jail overcrowding fine account for the purpose of reducing jail population. (Supervisor Kaufman)

ACTION:

5. File 97-97-54. [Real Estate Fraud Prosecution Fee] Ordinance amending Administrative Code by adding Section 8.24-5, requiring the collection of a recordation fee of \$2.00 at the time of recording real estate instruments and providing that such funds shall be expended for criminal investigations or prosecutions involving recorded real estate documents. (Supervisor Brown)

ACTION:

6. File 64-97-15. [Lease of Property at 2299 Market Street] Resolution authorizing a lease of real property at 2299 Market Street, San Francisco (The AIDS/HIV Life Center), for the Department of Public Health. (Real Estate Department)

ACTION:

7. File 101-97-21. [Appropriation, Airport] Ordinance appropriating \$23,190,287, Airports Commission, of various Bond Fund balances to the Airport, for capital improvement projects for fiscal year 1997-98. RO #97113. (Controller)

ACTION:

8. File 101-97-15. [Appropriation, Port Commission] Ordinance appropriating \$686,163, Port Commission, of Port Revenues for the construction of the China Basin Ballpark for fiscal year 1997-98. RO #97069. (Controller)

ACTION:

9. File 101-97-20. [Appropriation, Treasure Island Brig] Ordinance appropriating \$2,100,000, Sheriff Department from General Reserve-Treasure Island Brig to fund the costs associated with staffing, operation and capital improvement of the Naval Brig on Treasure Island; companion measure to Files 102-97-6 and 172-97-64. (Mayor) (Continued from 10/8/97.)

ACTION:

10. File 102-97-6. [Salary Ordinance Amendment, Sheriff] Ordinance amending Ordinance No. 307-97 (Annual Salary Ordinance, 1997/98), Sheriff's Office, reflecting the creation of thirty five (35) new positions and the reclassification of one (1) existing position; companion measure to File 101-97-20. (Mayor) (Continued from 10/8/97.)

ACTION:

11. File 172-97-64. [Treasure Island and Jail No. 3 Improvements] Ordinance waiving the competitive bidding requirements of Administrative Code Sections 6.01, 6.04 and 6.05 and authorizing the Director of the Department of Public Works and/or the Sheriff to expeditiously enter into contracts for the renovation, furnishing and equipping of the former Navy brig at Treasure Island and repairs to Jail No. 3; companion measure File 101-97-20. (Mayor) (Continued from 10/8/97.)

ACTION:

LEGISLATION UNDER THE 30-DAY RULE

File No. 97-97-56. Affordable Housing Bond Program, Ordinance, (Supervisor Brown), 30 day Rule expires 10/15/97.

File No. 97-97-56.1. Affordable Housing Bond Program Regulations, Resolution, (Supervisor Brown), 30 day Rule expires 10/15/97.

FINANCE COMMITTEE
S.F. Board of Supervisors
Veterans Building
401 Van Ness Avenue, Room 308
San Francisco, CA 94102

IMPORTANT HEARING NOTICE!!!

Bill Lynch
Govt Information Ctr
41 Main Library-Civic Center
100 Larkin Street

25
197
CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

October 10, 1997

TO: Finance Committee

FROM: Budget Analyst *Recommendations for meeting of.*

SUBJECT: October 15, 1997 Finance Committee Meeting

DOCUMENTS DEPT.

OCT 16 1997

SAN FRANCISCO
PUBLIC LIBRARY

Items 1 and 2 - Files 147-92-2.2 and 101-93-105.3

Department: Public Library
Department of Public Works (DPW)

Items: Item 1, File 147-92-2.2
Hearing to consider the release of reserved funds to the Public Library (1988 Public Library Bond Fund interest earnings), in the amount of \$769,301 to fund the Mission Branch Library Renovation Project.

Item 2, File 101-93-105.3
Hearing to consider the release of reserved funds to the Public Library (LCSA Public Grant), in the amount of \$456,750 to fund the Mission Branch Library Renovation Project.

Amount: \$1,226,051

Source of Funds: 1988 Public Library Improvement Bond Fund interest earnings (\$769,301)
Library Services and Construction Act (LCSA) Public Grant (\$456,750)

Description:

On April 25, 1994, the Board of Supervisors appropriated funds from 1988 Public Library Improvement Bond interest earnings for four capital improvement projects, placing \$1,208,551 for renovation of the Mission Branch Library on reserve pending contract details, selection of a contractor, and the contractor's MBE/WBE status (File 101-93-105). Of the \$1,208,551 placed on reserve, the Finance Committee has approved the release of \$289,250, leaving a balance of \$919,301 on reserve (File 101-93-105.2).

On August 7, 1992, the Board of Supervisors authorized the City Librarian to accept and expend \$696,579 available through the California State Library from Title II of the Library Services and Construction Act, placing \$456,750 on reserve for renovation of the Mission Branch Library pending the submission of contractor details, and the contractor's MBE/WBE status (File 147-92-2.1).

The Public Library is now requesting the release of reserved funds of \$1,226,051 (\$769,301 plus \$456,750) to fund construction services for renovation of the Mission Branch Library, located at 3359-24th Street. The proposed renovation of the Mission Branch Library includes major seismic upgrades, new heating, ventilation and air conditioning (HVAC) systems, disabled access, redesign of interior space and the addition of two exit staircases for fire safety purposes. According to Mr. Roger Wong of DPW, renovation of the existing Mission Branch Library is anticipated to begin in November of 1997 and to be completed by January of 1999, a period of 15 months.

Budget:

The Attachment to this report shows the total estimated project costs of \$3,884,369 for relocation and renovation of the Mission Branch Library.

Comments:

1. Regarding the construction costs of \$1,944,000 as shown on the Attachment, Mr. Wong reports that DPW received one bid from Trico Construction, a WBE and LBE firm, for \$1,944,000. Mr. Wong advises that the Invitation for Bids was advertised in the *San Francisco Independent* newspaper on May 31, 1997. According to Mr. Wong, only one bid was received because apparently other qualified contractors were busy with other work and were not available to bid on the project.

According to Ms. Veronica Ng of the Human Rights Commission, the contractor, Trico Construction, has been certified as being in compliance with the provisions of the Equal Benefits Ordinance.

2. In July of 1995, the DPW originally estimated the total costs for the relocation and renovation of the Mission Branch Library at \$3,304,536. The latest revised project estimate of \$3,884,369, which was previously reported to the Board of Supervisors in September of 1997, is \$579,833 or 17.5 percent more than the original estimated project costs of \$3,304,536, with the largest increase due to additional structural costs.

The funding sources which have been previously appropriated for this project, including the subject request for the release of \$1,226,051, are as follows:

1988 Library Bond Funds	\$355,750
1988 Library Bond Fund Interest	2,414,471
1990 Earthquake Safety Program (ESP2)	
Bond Fund	150,000
1990 Earthquake Safety Program (ESP2)	
Bond Fund Interest	267,569
State Grant	<u>696,579</u>
Project Total	\$3,884,369

Mr. Wong reports that he does not anticipate requesting any additional funds to complete this project. As noted above, according to Mr. Wong, renovation of the existing Mission Branch Library is anticipated to begin in November of 1997 and to be completed by January of 1999.

Recommendation: Approve the requested release of reserved funds.

According to Mr. Roger Wong, the DPW Project Manager for the Mission Branch Library renovation project, the total estimated project cost is as follows:

DPW Design & Miscellaneous Costs

Arch/Engineering Design	\$621,165
Survey & Investigation	35,035
Field Invest. & Contract Prep.	13,300
Add Peer Review/Cost Estim.	80,042
Permit Fees	<u>36,000</u>
Subtotal	\$785,542

Construction and Contingency

Construction	1,944,000
Contingency	<u>377,136</u>
Subtotal	\$2,321,136

Construction Support Services

Construction Mgmt & Admin	335,000
Testing & Special Inspection	85,000
Asbestos/Lead Monitoring	<u>12,891</u>
Subtotal	\$432,891

Other Expenses

Paging/Public Address/Security	48,000
Relocation	<u>296,800</u>
Subtotal	\$344,800

Total Estimated Project Costs **\$3,884,369**

Item 3 - File 170-94-1.3

Department: Mayor's Office

Item: Motion ratifying the award of the first series of the General Obligation Refunding bonds, in an aggregate principal amount not to exceed \$600,000,000.

Description: On September 22, 1997, the Board of Supervisors approved a resolution authorizing the public sale of General Obligation Refunding Bonds up to a maximum principal amount of \$600,000,000 (File 170-94-1.2). The proposed motion would ratify the sale and issuance of the previously approved first series of General Obligation Refunding Bonds.

According to Ms. Monique Moyer of the Mayor's Office, the General Obligation Refunding Bonds (Series 1997-1) will be sold by competitive sale at 8:30 a.m. on October 15, 1997 and the Controller will award the bonds to the firm whose bid represents the lowest true interest cost to the City. Ms. Moyer reports that the Controller will make a verbal award to the winning bidder before the 1:00 p.m. Finance Committee meeting on October 15, 1997. By approving the proposed motion, the Board of Supervisors would ratify that award and written award will be transmitted to the Purchaser.

Comment: The proposed motion should be amended to include the name of the bidder who is awarded the bonds, the principal amount of the bond sale, and the true interest cost to the City, all of which will be determined preceding the Finance Committee meeting on October 15, 1997, and will be reported directly to the Finance Committee by the Clerk of the Board or Ms. Moyer.

Recommendations:

1. Amend the proposed motion to include the name of the bidder who is awarded the bonds, the principal amount of the bond sale, and the true interest cost to the City.
2. Approve the proposed motion, as amended.

Item 4 - File 195-97-1

Department: Sheriff's Department

Item: Resolution authorizing the Sheriff's Department to supplement its existing contract with the San Francisco Pretrial Diversion Project, using funds remaining in the Jail Overcrowding Fine Account, in the amount of approximately \$33,177.

Amount: \$33,177

Source of Funds: Jail Overcrowding Fine Account

Description: According to Captain Jan Dempsey of the Sheriff's Department, the Jail Overcrowding Fine Account was created by court order for the purpose of reducing the population of the San Francisco County Jail No. 1, located in the Hall of Justice at 850 Bryant Street. Captain Dempsey advises that under the court order, \$300 per prisoner per day was deposited in the Jail Overcrowding Fine Account whenever the capacity of the jail went over the maximum capacity set by the Board of Corrections. The monies deposited in the Jail Overcrowding Fine Account were then used to fund programs to relieve jail overcrowding, subject to approval of a court-appointed Federal Master and the Board of Supervisors. According to Captain Dempsey, the court order was dismissed in December of 1996 and contributions to the Jail Overcrowding Fine Account ceased. Captain Dempsey states that, as of October 1, 1997, a balance of \$33,177 remains in the Jail Overcrowding Fine Account.

Mr. Buck Delventhal of the City Attorney's Office advises that because the original court order was dismissed the City must now obtain a subsequent court order to access the remaining \$33,177 in the Jail Overcrowding Fine Account. By approving this resolution, which would authorize the Sheriff's Department to use the \$33,177 in the Jail Overcrowding Fine Account (subject to appropriation approval by the Board of Supervisors) for a project which works to alleviate jail overcrowding, the City Attorney could obtain the necessary court order. According to Mr. Delventhal, once the court order is obtained and the funds are released, the Sheriff's Department will request a supplemental appropriation, subject to approval by the Board of Supervisors, to spend those funds.

Captain Dempsey advises that when the subject resolution was drafted, the Department believed that the best use of the funds would be to augment the existing Supervised Pretrial

Release program, operated by the San Francisco Pretrial Diversion Project. However, according to Captain Dempsey, since that time the Federal Court issued an order indicating that County Jail #3 located in San Bruno has seismic and fire safety defects which breach the constitutional protections of the inmates.

Captain Dempsey advises that, in light of this Federal Court Order, the Sheriff's Department believes the subject Jail Overcrowding Fine Account monies should be used to increase the number of eligible prisoners in residential treatment program beds and not for the San Francisco Pretrial Diversion Project.

Captain Dempsey states that the Department plans to submit an Amendment of the Whole at the Finance Committee meeting which will state that the Jail Overcrowding Fine Account monies of \$33,177 would be used to increase the number of eligible prisoners in residential treatment program beds. The Attachment is a memo from Captain Dempsey which provides information about using the Jail Overcrowding Fine Account Funds for increasing the number of residential treatment program beds. However, this proposed legislation does not appropriate funds and any expenditures of the \$33,177 remaining in the Jail Overcrowding Fine Account would be subject to subsequent appropriation approval by the Board of Supervisors.

Comment:

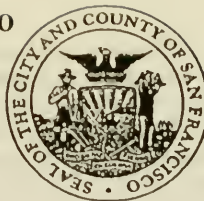
1. As noted above, approval of the proposed resolution would enable the City Attorney to obtain a court order for release of the \$33,177 remaining in the Jail Overcrowding Fine Account. The Sheriff's Department will submit a request for a supplemental appropriation to the Board of Supervisors and provide budget details for the expenditure of the \$33,177 at that time.

2. As noted above, the Department has advised that an Amendment of the Whole will be submitted at the Finance Committee meeting of October 15, 1997, which will state that the Jail Overcrowding Fine Account monies of \$33,177 would be used to increase the number of eligible prisoners in residential treatment program beds instead of being used for the San Francisco Pretrial Diversion Project.

Recommendation: Approve the proposed resolution, as amended.

City and County of San Francisco

OFFICE OF THE SHERIFF



Michael Hennessey
SHERIFF

(415) 554-7225

October 9, 1997

Monique DeShaw *JD 16*
Budget Analyst Office
Board of Supervisors
Fox Plaza, 10th Floor
San Francisco, CA 94102

Dear Ms. DeShaw: *JD 16*

In response to your request, I am providing the following information:

When this matter was first brought up, the Sheriff's Department believed the best use of the funds would be to augment the existing Supervised Pretrial Release program, operated by the San Francisco Pretrial Diversion Project. Since that time, the Federal Court issued an order indicating that many conditions at County Jail #3 are unconstitutional. In light of this order, the Sheriff's Department believes any additional funding coming from Jail Overcrowding Fine money should be used to increase the number of eligible prisoners in residential treatment program beds.

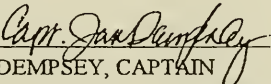
Residential treatment program beds are used for sentenced prisoners released from jail through the County Parole Board, which consists of representatives from the Sheriff's Department, Probation Department and the Superior Court. As sentenced prisoners, these people are fully under the control of the Sheriff. There are always some number of sentenced prisoners in the County Jail system who are eligible for residential treatment programs but for whom residential beds are not available due to limited funding.

The Supervised Pretrial Release program targets prisoners held in custody in a pretrial status on felony charges pending their preliminary hearing. This type of release is beyond the control of the Sheriff, relying instead on the courts and District Attorney's Office. While this program contributes to reducing jail overcrowding by getting people out of jail pending their next court hearing, there is no guarantee additional persons will be released at any given time.

With a \$33,877 increase to the \$228,855 committed in the Sheriff's general fund budget for residential treatment beds at Milestones, the Sheriff's Department plans to modify the existing contract with Milestones to house 2.5 additional prisoners per day. This amount of funding will allow the Sheriff's Department to increase the average number of prisoners in residential beds at Milestones from 11 per day to 13.5 per day for the remainder of the fiscal year.

I hope you find this information satisfactory. Please call me at 553-9509⁴ or Sergeant James at 554-4316 if you have any questions.

Sincerely,



JAN DEMPSEY, CAPTAIN
Facility Commander, County Jail #1

Item 5 - File 97-97-54

Department: Recorder
District Attorney

Item: Ordinance amending San Francisco Administrative Code Article XIII, Chapter X by adding Section 8.24-5 to require the collection of a recordation fee of \$2.00 at the time of recording real estate instruments and providing that such funds shall be expended for criminal investigations or prosecutions involving recorded real estate documents.

Description: The proposed ordinance would establish a new fee of \$2.00 to be charged by the City Recorder at the time of recording every real estate instrument, paper or notice required or permitted by law, in addition to existing fees. According to the proposed ordinance, these new fees would be collected, administered and expended in accordance with Section 27388 of the California State Government Code, which requires that the revenues from such fees be used to provide expanded program funding to enhance the capacity of local police and prosecutors to deter, investigate and prosecute real estate fraud crimes. As stated in Section 27388(g) of the State Government Code, the \$2.00 fee revenues collected could not be expended to offset a reduction of presently budgeted expenditures.

The proposed ordinance would also establish (a) a new Special Fund, for depositing the fee revenues, to be known as the Real Estate Fraud Prosecution Trust Fund, and (b) a Real Estate Fraud Trust Fund Committee comprised of the District Attorney, the City Administrator and the City Attorney, or their appointed representatives. This Committee would be responsible for making determinations by majority vote as to the allocation of Special Fund revenues generated by the new \$2.00 fees, in accordance with the procedures and criteria required by Section 27388 of the California Government Code. All revenues generated by the \$2.00 fees would be deposited in the proposed new Special Fund. According to Mr. Ted Lakey of the City Attorney's Office, the distribution of funds in accordance with State law would be subject to appropriation approval by the Board of Supervisors.

As required by Section 27388(d) of the State Government Code, the District Attorney would be required to submit

an annual report to the Board of Supervisors regarding the effectiveness of the District Attorney in deterring, investigating and prosecuting real estate fraud crimes in San Francisco.

Comments:

1. According to Mr. Greg Diaz of the Recorder's Office, the proposed ordinance would affect the recording of deeds of trust, assignments of deeds of trust, reconveyances, requests for notice, and notices of default. Mr. Diaz estimates that each year approximately 50,000 of these documents are filed with the Recorder's Office. At \$2 per document, and based on the estimated filing of 50,000 real estate documents with the Recorder, the proposed new fees would generate approximately \$100,000 annually. According to Mr. Diaz, these monies would be deposited into the proposed Real Estate Fraud Prosecution Trust Fund.

2. According to Mr. Lakey, the State law authorizes the Real Estate Fraud Prosecution Trust Fund Committee to allocate Trust Fund monies to local law enforcement agencies to deter, investigate, and prosecute real estate fraud crimes, subject to appropriations approval by the Board of Supervisors.

3. According to Mr. Malcolm Vaughn of the District Attorney's Office, real estate fraud crimes are investigated and prosecuted by the District Attorney's Special Prosecutions Unit with assistance from Police Department investigators. Mr. Vaughn reports that examples of real estate cases prosecuted by the Special Prosecutions Unit include bogus loans, forgeries, predatory consumer practices targeting the elderly, and Ponzi schemes.

At the time of the writing of this report, Mr. Vaughn was unable to provide the Budget Analyst with an estimate on an annual basis of the costs and number of real estate cases that are handled by the District Attorney's Special Prosecutions Unit. Mr. Vaughn states that all monies realized from the proposed new fee of \$2.00, for each real estate document recorded by the City Recorder, would be used to expand existing activities involving real estate crimes, consistent with the requirement of the proposed ordinance that such fee revenues may not be used to offset a reduction of existing expenditures.

Memo to Finance Committee
October 15, 1997 Finance Committee Meeting

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Memo to Finance Committee
October 15, 1997 Finance Committee Meeting

Item 6 - File 64-97-15

Department: Department of Public Health (DPH)
Department of Real Estate (DRE)

Item: Resolution authorizing a lease of real property at 2299
Market Street for the Department of Public Health.

Comment: Ms. Monique Zmuda of the Department of Public Health
and Mr. Steve Alms of the Department of Real Estate have
requested that this item be continued for one week in order
to allow the Departments to provide additional information
pertaining to this matter.

Recommendation: In accordance with the request from the Departments,
continue this item to the Finance Committee Meeting of
October 22, 1997.

Item 7 - File 101-97-21

Department: Airport

Item: Ordinance appropriating \$23,190,287 of various Airport Revenue Bond balances for capital improvement projects.

Amount: \$23,190,287

Source of Funds: Various Airport Revenue Bond Fund Balances (See Attachment I)

Description: The proposed ordinance would appropriate \$23,190,287 in unappropriated bond fund balances for the purpose of financing two capital projects, as follows:

Infrastructure

Contract 3062B - Repair & Overlay Taxiway 'A' and widen Taxiway 'R'

Total Costs: \$1,629,377 (Partial Funding)

This project is to repair, relevel, construct or reconstruct taxiway pavements. This project is part of an on-going project for taxiway repair and construction due to need, usage, and bay subsidence. According to Mr. Kevin Kone of the Airport, the total estimated cost for this project is \$2,317,300, with the balance of \$687,923 to be funded by previously appropriated Airport Revenue Bond funds.

The selected contractor is Marinship Construction Services/ Ghilotti Brothers Construction, Inc., A Joint Venture. Marinship Construction Services is a Minority Business Enterprise (MBE) firm. The Joint Venture was the low bidder in the amount of \$2,317,300 based on the Airport's Invitation-for-Bids (IFB) process.

Master Plan

Contract 5510E - Boarding Area A General Construction
Total Costs: \$21,560,910 (Partial Funding)

This project is for the construction of an approximately 530,000 square-foot Boarding Area "A" to replace the existing Boarding Area "A" adjacent to the South Terminal. The budget for this project includes costs to relocate tenants from the existing Boarding Area "A."

BOARD OF SUPERVISORS
BUDGET ANALYST

The new Boarding Area "A" will provide 12 gates for international flights, and will be connected to the new International Terminal. According to Mr. Kone, the total estimated cost of this project is \$66,995,000, with the balance of \$45,434,090 to be funded from Airport Revenue Bond monies previously appropriated by the Board of Supervisors. Mr. Kone reports that it is necessary to replace the existing Boarding Area A, which is located adjacent to the South Terminal, because international flights will be accessed through the new International Terminal.

The selected contractor, Hensel Phelps Construction Co., Inc., was the low bidder in the amount of \$66,955,000 based on the Airport's Invitation-for-Bids process. The initial apparent low bidder, Swinerton & Walberg/ Walsh, A Joint Venture, withdrew their bid of \$62,365,000. Mr. Kone reports that Hensel Phelps Construction Co., Inc., is not an MBE/WBE firm.

Comments:

1. The bids for both of these projects were submitted prior to June 1, 1997. Therefore, the requirements of the Equal Benefits Ordinance do not apply.
2. The expected completion dates for the two projects are December of 1997 for the Taxiway work and August of 1999 for Boarding Area "A."
3. Attachment II is a list of subcontractors with the amounts allocated and the MBE/WBE status of such subcontractors.

Recommendation: Approve the supplemental appropriation request in the amount of \$23,190,287.

**AIRPORT COMMISSION
CITY & COUNTY OF SAN FRANCISCO**

**ATTACHMENT - SUPPLEMENTAL APPROPRIATION REQUEST - \$ 23, 190, 287
FISCAL YEAR 1996-97**

A. SOURCE OF FUNDS - GL 399 UNRESERVED, AVAILABLE FOR APPROPRIATION

FUND	INDEX	PRJ/WP	FUND TITLE	AMOUNT
67X	AIR67ACP	CACE36/01	1967 G.O. BONDS	15,460
75X	AIR75ACP	CACE37/01	1975 AIRPORT REVENUE BONDS - SERIES A	93,975
77X	AIR77ACP	CACE38/01	1977 AIRPORT REVENUE BONDS - SERIES B	50,380
83D	AIR83ACP	CACD73/01	1983 AIRPORT REVENUE BONDS - SERIES D	695,820
921	AIR01UNALLOC	CACF48/01	REFUNDING BONDS - ISSUE 1	367,807
932	AIR02UNALLO	CACF49/01	REFUNDING BONDS - ISSUE 2	161,030
933	AIR03UNALLOC	CACF50/01	REFUNDING BONDS - ISSUE 3	106,095
934	AIR04UNALLOC	CACF51/01	REFUNDING BONDS - ISSUE 4	88,755
925	AIR05 UNALLOC	CACD99/01	MASTER PLAN BONDS - ISSUE 5	2,708,325
926	AIR06UNALLOC	CACE03/01	MASTER PLAN BONDS - ISSUE 6	5,416,420
92A	AIR9AUNALLOC	CACE81/01	MASTER PLAN BONDS - ISSUE 9A	5,940,810
92B	AIR9BUNALLOC	CACF34/01	MASTER PLAN BONDS - ISSUE 9B	3,462,690
92C	AIR10AUNALLO	CACF79/01	MASTER PLAN BONDS - ISSUE 10A	3,651,365
92D	AIR10BUNALLO	CACF81/01	MASTER PLAN BONDS - ISSUE 10B	381,300
92E	AIR11UNALLOC	CACF65/01	INFRASTRUCTURE BONDS - ISSUE 11	50,055
TOTAL				23,190,287

B. APPROPRIATIONS TO BE CREDITED

FUND	INDEX	PRJ/WP	FUND TITLE	AMOUNT
67X	AIR67ACP	CACE36/01	APPROVED CAPITAL IMPROVEMENTS	15,460
75X	AIR75ACP	CACE37/01	APPROVED CAPITAL IMPROVEMENTS	93,975
77X	AIR77ACP	CACE38/01	APPROVED CAPITAL IMPROVEMENTS	50,380
83D	AIR83ACP	CACD73/01	APPROVED CAPITAL IMPROVEMENTS	695,820
921	AIR01UNALLOC	CACF48/01	CONSTRUCTION - UNALLOCATED	367,807
932	AIR02UNALLO	CACF49/01	CONSTRUCTION - UNALLOCATED	161,030
933	AIR03UNALLOC	CACF50/01	CONSTRUCTION - UNALLOCATED	106,095
934	AIR04UNALLOC	CACF51/01	CONSTRUCTION - UNALLOCATED	88,755
925	AIR05 UNALLOC	CACD99/01	CONSTRUCTION - UNALLOCATED	2,708,325
926	AIR06UNALLOC	CACE03/01	CONSTRUCTION - UNALLOCATED	5,416,420
92A	AIR9AUNALLOC	CACE81/01	CONSTRUCTION - UNALLOCATED	5,940,810
92B	AIR9BUNALLOC	CACF34/01	CONSTRUCTION - UNALLOCATED	3,462,690
92C	AIR10AUNALLO	CACF79/01	CONSTRUCTION - UNALLOCATED	3,651,365
92D	AIR10BUNALLO	CACF81/01	CONSTRUCTION - UNALLOCATED	381,300
92E	AIR11UNALLOC	CACF65/01	CONSTRUCTION - UNALLOCATED	50,055
TOTAL				23,190,287

OCT.10.1997 11:13AM SAN FRANCISCO INT'L AIRPORT

NO.564 P.2/2

CT 3062B Repair & Overlay Taxiway "A" and widen Taxiway "R"

<u>Type of Work</u>	<u>Sub Contracting Amount</u>	<u>MBE/WBE</u>
Electrical	\$15,900	No
Security	\$15,000	WBE
Striping	\$11,800	No
Color Coat	\$12,160	No
Saw Cutting	\$7,000	MBE
Trucking	\$132,000	MBE
Trucking	\$119,000	WBE
Electrical	\$159,000	MBE
Pavement Grinding	<u>\$172,000</u>	MBE
	<u>\$643,860</u>	

CT 5510E Boarding Area A General Construction

<u>Sub Contractor</u>	<u>Type of work</u>	<u>Sub Contracting Amount</u>	<u>MBE/WBE</u>
The Phoenix Painting Co.	Painting	\$297,193	No
Stoneage	Stone Panels	\$189,000	MBE
Continental Building Spec.	T.V. Mounts	\$3,680	No
JHMB Construction	Underground Piping	\$271,000	No
Moore & Sons Trucking	Trucking	\$300,000	MBE
United California Glass	Glass	\$300,000	No
Liberty Builders	Concrete/Earthwork	\$3,229,000	MBE
R & A Supplies	Plumbing Supplies	\$84,000	No
Troys Contracting	Mechanical	\$1,500,000	MBE
A-Answer	Mechanical	\$1,500,000	MBE
Cresci Electric	Electrical Switch Gear	\$463,000	No
Bass Electric	Electrical fixtures	\$1,158,000	MBE
Rosendin Electrical	Electrical	\$7,100,000	MBE
Cosco	Fire Protection	\$1,445,000	No
Merallich	Mechanical	\$8,650,000	No
	Total	<u>\$28,489,863</u>	

Item 8 - File 101-97-15

Departments: Port Commission
Department of Building Inspection

Item: Supplemental appropriation of Port revenues (developer fees) to the Department of Building Inspection (DBI) for plan checking and site inspection related to the construction of the China Basin Ballpark.

Amount: \$686,163

Source of Funds: Port Revenues -- Developer Fees

Description: On July 28, 1997 the Board of Supervisors approved the Lease Disposition and Development Agreement (DDA), the Ground Lease, and related legislation for the China Basin Ballpark Project (the Ballpark Project), (Files 101-97-4 and 262-97-1 through 262-97-5). Subsequently, on August 25, 1997, the Board of Supervisors approved an amendment to the San Francisco Redevelopment Agency (SFRA) FY 1997-98 budget to increase expenditures for the Rincon Point - South Beach Redevelopment Project Area in the amount of \$15 million for public improvements related to the Ballpark Project (File 161-97-7.1).

Because the Ballpark Project is located on Port property, the Port is responsible for approving construction plans, issuing a building permit to the China Basic Ballpark Company LLC (CBBC, an entity established and owned by the owners of the San Francisco Giants for the purpose of developing the Ballpark) and providing site inspection services during construction. Ms. Stephanie Downs of the Port states that, due to the size of the project, the Port has negotiated a Memorandum of Understanding (MOU) with the Department of Building Inspection (DBI), to obtain plan check and site inspection services from DBI. The proposed supplemental appropriation would provide a \$686,163 work order from the Port to the DBI for plan check services (\$252,184) and site inspection services (\$433,979) related to the China Basin Ballpark Project.

According to the MOU approved by the Port Commission, a copy of which is available in the Finance Committee file, the Port Commission has agreed to pay the DBI the greater of \$252,184 or 65 percent of the total Plan Check Fee, and \$433,979 or 65 percent of the Site Inspection Fee that will be collected from CBBC and/or Kajima Inc. (See Comment No.

1.) The Port will retain the balance of 35 percent of the Plan Check and Site Inspection Fees (see Comment No. 2).

Ms. Paulette Hooley of the DBI states that the figures of \$252,184 for plan check services and \$433,979 for site inspection services represent the DBI's estimate of the cost of providing such services on the Ballpark Project, on a consulting basis to the Port. (See Comment No. 4.) The attachment to this report, provided by the DBI, shows the classifications of DBI staff, anticipated hours, hourly rates and mandatory fringe benefits that form the basis for these estimates. Ms. Hooley states that the estimates do not include administrative costs, because the MOU states that the Port, rather than the DBI, has authority for the approval, issuance and enforcement of building permits for the project. The Port will also be responsible for settling any disagreements that arise concerning code compliance. The MOU further states that, if requested by the DBI, the Port will provide administrative support to DBI Building Inspectors.

Comments:

1. Mr. Alex Lee of the Port advises that the Port will charge CBBC (or Kajima International Inc., with whom CBBC has contracted for development of the subject stadium) the Port's standard fees for plan check and site inspection, as specified in Section 107 of the Uniform Building Code. Mr. Lee states that the Site Inspection Fee is \$5,001 for the first \$1 million of construction costs, plus \$3.25 per \$1,000 of additional construction costs. According to Mr. Lee, the fee for plan check is 65 percent of the site inspection fee. The current projected construction cost of the stadium is \$170,000,000, so the Port estimates Site Inspection Fee revenues of approximately \$554,251, and Plan Check Fee revenues of approximately \$360,263, for a combined total of \$914,514. Mr. Lee advises that these figures do not include separate fees for fire, health, mechanical and electrical inspections, which will be paid by the CBBC (or Kajima, Inc.) to the appropriate City departments.

Approval of the proposed supplemental ordinance would provide the DBI with \$686,163, or approximately 75 percent of the anticipated total of \$914,514 in Site Inspection and Plan Check Fees that the Port expects to receive from CBBC or Kajima, Inc. for the Ball Park Project. If the development cost increases, thereby increasing the Plan Check and Site Inspection Fee revenues received by the Port from CBBC or Kajima, Inc., the payment to DBI by the Port would increase proportionately.

2. Mr. Lee states that the Plan Check and Building Inspection Fees to be retained by the Port (up to 35 percent of

the total fees) will be used to cover the Port's cost of project management, management of the MOU with the DBI, and final dispute resolutions.

3. The MOU between the Port Commission and the DBI, which is not subject to Board of Supervisors approval, states that the Port Commission will transfer the greater of 65 percent of the Plan Check fee or \$252,184 to the DBI within 30 days of receiving payment for the Plan Check fee from CBBC and/or Kajima Inc. The MOU further states that payments to the DBI for its share of the Site Inspection Fee (the greater of 65 percent of the amount collected or \$433,979) will be remitted to the DBI as fees are collected from CBBC and/or Kajima Inc., again within 30 days of receipt of such fee payments. In other words, the Port will transmit the work ordered funds as such funds are received from the developer.

4. Ms. Hooey advises that the figures of \$252,194 for plan check services and \$433,979 for building inspection services assume that plan check will take approximately eight months, and building inspection services will be required over an approximately 18-month period. Ms. Hooey states that, if plan check or building inspection services are required for a longer period of time, the DBI costs will increase. However, Ms. Hooey states that the terms of the MOU, which provide that the Port will pay the DBI the higher of the amounts listed above or 65 percent of the fees collected from CBBC/Kajima Inc., will provide the DBI with adequate funds to cover the costs of the services to be provided.

Recommendation: Based on the Board of Supervisors approval of prior legislation related to the proposed China Basic Ballpark Project, including the DDA, Ground Lease, and Tax Allocation Bonds, approve the proposed resolution.

9/9/97

Department of Building Inspection

PLAN CHECK & INSPECTION FEES FOR PACIFIC BELL/GIANT'S STADIUM

Number	Class	Title	Premium*	Hourly Rate	# Hours	Rate	+MFB(22%)	Total
Plan Check								
3	5208	Civil Engineer	36.125x10%	39.7375	1,359	54,003.26	65,883.98	197,651.94
1	5214	Building Plans Engineer	39.8375x10%	43.82125	510	22,349.06	27,265.85	27,265.85
1	5218	Structural Engineer	39.8375x10%	43.82125	510	22,349.06	27,265.85	27,265.85
5								252,183.64
Inspection								
1	6242	Plumbing Inspector	None	31.8125	3,131	99,605.10	121,518.22	121,518.22
1	6248	Electrical Inspector	None	31.8125	3,131	99,605.10	121,518.22	121,518.22
1	6250	Chief Electrical Inspector	None	38.6625	671	25,944.51	31,652.30	31,652.30
1	6331	Building Inspector	None	33.0875	3,131	103,580.75	126,368.51	126,368.51
1	6334	Chief Building Inspector	None	40.2125	671	26,984.68	32,921.31	32,921.31
5								433,978.56
GRAND TOTAL								686,162.20

*Engineer License

Items 9, 10 and 11 - Files 101-97-20, 102-97-6 and 172-97-64

Note: These items were continued by the Finance Committee at its meeting of October 8, 1997. Based on information to be submitted by the Sheriff, the Budget Analyst will issue a revised report on Tuesday, October 14, 1997.

Departments: Sheriff Department
Department of Public Works (DPW)

Items: File 101-97-20: Supplemental appropriation from the General Fund reserve to fund the costs associated with the staffing, operation and capital improvement of the Naval Brig on Treasure Island.

File 102-97-6: Amendment to the FY 1997-98 Annual Salary Ordinance to create 35 new positions and reclassify one existing position in the Sheriff's Department.

File 172-97-64: Ordinance waiving the competitive bidding requirements of Administrative Code Sections 6.01, 6.04 and 6.05 and authorizing the Director of the Department of Public Works and/or the Sheriff to expeditiously enter into contracts for the renovation, furnishing and equipping of the former Navy Brig at Treasure Island and repairs to Jail No. 3.

**Amount of Supplemental
Appropriation:** \$2,100,000

Source of Funds: General Fund Reserve - Treasure Island Brig
established in the FY 1997-98 Budget

Description: The U.S. Naval Station located on Treasure Island and Yerba Buena Island is scheduled for closure by the Federal Government on or about October 1, 1997. The Mayor's Office has been engaged in negotiations with the U.S. Navy in anticipation that the City will ultimately assume full ownership of the Naval Station. The Naval Brig on Treasure Island (the Brig) is a two-story, 25,110 square foot jail facility built by the Federal government in 1992. Mr. Larry Florin of the Mayor's Treasure Island Project Office advises that the City has obtained authority from the Navy to reuse the Brig through a license agreement between the City and the Navy. Mr. Florin advises that this license agreement will be converted into a lease in the near future, which will be submitted to the Board of Supervisors for approval. (See Comment No. 1.)

BOARD OF SUPERVISORS
BUDGET ANALYST

Captain Jan Dempsey of the Sheriff's Department reports that the City has been investigating the potential for use of the Brig during the past year. However, Captain Dempsey states that this effort became more urgent following the July, 1997 United States District Court ruling that Jail No. 3, located in San Bruno, has seismic and fire safety defects which breach the constitutional protections of inmates. As part of the effort to move as many inmates as possible from Jail No. 3, the Sheriff's Department is now seeking to renovate the Treasure Island Brig to permit an average daily occupancy of approximately 140 prisoners who would otherwise be housed at Jail No. 3. (See Comments Nos. 2, 3 and 4.) Captain Dempsey advises that the Navy had planned to have an average daily occupancy of 70 prisoners when the Brig was built, but she states that there is sufficient space in the Brig to house 140 prisoners in compliance with State space standards for jails. Captain Dempsey advises that the Brig was utilized very little by the Navy after its 1992 construction, due to the reduced population at the Naval Station prior to the base closure.

In connection with this effort to renovate and operate the Brig, the Sheriff's Department and the DPW are (1) requesting the expenditure of \$2.1 million from a General Fund Reserve which was established in the FY 1997-98 budget process to fund (a) renovations to the Brig, (b) 35 new permanent staff positions to operate the Brig, and (c) related services, materials and equipment; (2) requesting an amendment to the Annual Salary Ordinance to create the 35 new permanent staff positions; and (3) requesting waiver of competitive bidding requirements for contracts related to renovation of the Brig and repair of Jail No. 3, in order to expedite the completion of such renovations and repairs.

Budget:

In summary, the budget request for the \$2.1 million is as follows:

Capital Improvements	\$442,229
Salaries	908,410
Fringe Benefits	<u>291,741</u>
Subtotal - Personnel	1,200,151
Utilities and Other Services	102,486
Materials and Supplies	129,874
Equipment	170,260
Vehicles	<u>55,000</u>
Total	\$2,100,000

BOARD OF SUPERVISORS
BUDGET ANALYST

A more detailed budget for the \$2.1 million, prepared by the Sheriff's Department, is shown in Attachment No. 1. With the exception of the staff costs, however, the items shown in the budget are preliminary estimates, generally based on the cost of comparable items at other County jails. The capital improvement (i.e. renovation) costs in particular do not represent firm numbers, as will be discussed in more detail in the following section on Proposed Capital Improvements.

Proposed Capital Improvements (\$442,229)

Lt. Michael LaVigne, the Sheriff's Capital Improvement Manager, advises that an estimated \$1,316,950 in capital improvements are needed at the Brig. (See Attachment No. 2.) Lt. LaVigne advises that \$500,000 was budgeted in FY 1996-97 for such capital improvements in the Office of the Chief Administrator. The proposed supplemental appropriation would provide another \$442,229 in funding for capital improvements, leaving an estimated need of \$374,721. Lt. LaVigne states that the Sheriff's Department will allocate another \$150,000 to \$200,000 from its FY 1997-98 facilities maintenance budget for the needed capital improvements at the Brig. According to Lt. LaVigne, the remaining estimated need of \$174,721 to \$224,721 for capital improvements would be deferred until additional funds can be identified.

According to Lt. LaVigne, the Sheriff's Department has contracted with Signal Electric, Inc., a WBE company that complies with the Equal Benefits Ordinance, to conduct fire/life safety system upgrades at an estimated cost of \$226,325 and security system upgrades at an estimated cost of \$273,295, for a total estimated cost of \$499,620, or approximately equal to the \$500,000 previously appropriated for renovation of the Brig.

The Sheriff's Department has determined that, in order to open the Brig, (1) a new perimeter fence must be installed so that inmates can have recreation in a secure setting, and (2) the Brig must be brought into compliance with various State Fire Marshall requirements that are not included under the Signal Electric, Inc., scope of work. Further, additional toilets, showers and related plumbing fixtures must be installed.

The proposed ordinance waiving the competitive bidding requirements for renovation of the Brig (File 172-97-64) would permit the Sheriff to contract with Anchor Fence Company, Inc., to build a perimeter fence, at an estimated cost of \$214,193. Anchor Fence Company, Inc., is not an MBE or a WBE company, but it does comply with the Equal Benefits Ordinance. The cost estimate is based on a bid submitted to the Sheriff by the Anchor Fence Company, Inc.

The Sheriff would also use the competitive bidding waiver to contract with the MLS Construction Company to carry out the remaining fire safety improvements and to install the additional toilets, showers and related plumbing fixtures. The MLS Construction Company is an MBE company that complies with the Equal Benefits Ordinance. The Sheriff is in the process of obtaining a bid from the MLS Construction Company. Lt. LaVigne estimates that the required work will cost approximately \$300,000.

The combined estimated cost of the perimeter fence and the fire safety/plumbing improvements described above is \$514,193. If the requested capital improvement funds of \$442,229 are approved, the Sheriff would fund the balance of \$71,964 from facilities maintenance funds in the Sheriff's FY 1997-98 budget. As stated above, additional facilities maintenance funds, up to approximately \$150,000 to \$200,000 may be used to complete some of the other improvements to the Brig that are listed in Attachment No. 2.

Captain Dempsey states that the proposed waiver of competitive bidding requirements and the \$442,229 for capital improvements should be approved at this time because of the urgent need to renovate and open the Brig. Attachment No. 3, prepared by Mr. George Wong of the City Attorney's Office, states that "Complying with the competitive requirements of the Administrative Code would delay the correction of the potential safety hazards noted" in the order issued by Judge H. William Orrick. The Capital Improvement Advisory Committee recommended approval of the \$442,229 requested for renovation of the Brig on September 22, 1997. (See Comment No. 5.)

Personnel (\$1,201,151 in Salary and Fringe Benefits)

The Sheriff's Department proposes to operate the Brig with a staff of 74, including a total of 56 Sheriff's Deputies, 12 sworn supervisory personnel, and 6 civilian personnel,

including program staff and facility maintenance staff. A total of 37 of the 56 Sheriff's Deputies and 2 of the 12 sworn supervisory personnel would be transferred from County Jail No.3 to the Brig. A total of 35 new permanent positions are proposed to be created (File 102-97-6), including 19 new Deputy Sheriffs, 10 sworn supervisory personnel and all 6 civilian personnel. On an annual basis, these proposed new positions would cost between \$1,983,380 at the first step, including salaries of \$1,534,017 and fringe benefits of \$449,363; and \$2,380,869 at the top step, including salaries of \$1,840,221 and fringe benefits of \$540,648, at current salary levels.

The following table contains the Step 1 and Step 5 salaries for the 35 requested new positions:

No. of Positions	Step 1 Classi- fication	Title	Step 5 (Biweekly- Annual	(Biweekly- Annual
19	8304	Deputy Sheriff	\$1,513 39,489	\$1,835 47,893
4	8306	Sr. Deputy Sheriff	1,674 43,691	2,033 53,061
3	8308	Sheriff's Sergeant	1,844 48,128	2,242 58,516
2	8310	Sheriff's Lieutenant	2,115 55,201	2,571 67,103
1	8312	Sheriff's Captain	2,424 63,266	2,946 76,891
1	1367	Special Assistant VIII	1,611 42,047	1,955 51,025
1	7334	Stationary Engineer	1,846 48,181	1,846 48,181
1	7335	Sr. Stationary Engineer	2,086 54,445	2,086 54,445
1	7347	Plumber	1,975 51,547	2,401 62,666
<u>2</u> 35	8420	Program Coordinator	1,814 47,345	2,204 57,524

The proposed budget of \$908,410 for salaries and \$291,741 for fringe benefits through June 30, 1998, is based on hiring the facilities maintenance staff and four of the supervisory officers by November 1, 1997, and hiring the balance of the supervisory staff, the Sheriff's Deputies and the civilian program staff by November 29, 1997. The Sheriff's Department anticipates opening the Brig on or about February 1, 1998. Captain Dempsey states that personnel would need to be hired approximately two months (or three months, in the case of the maintenance staff and senior supervisory staff) in advance of the Brig opening to permit training and preparation for opening of the Brig.

A description of the nature and purpose of all staff positions at the Brig, prepared by the Sheriff's Department, is shown as Attachment No. 4 to this report. Comments Nos. 6 through 10 provide the basis for the Budget Analyst recommendations regarding the requested new positions, which are listed under Recommendations 2 through 6.

Materials and Supplies (\$129,874)

The proposed budget includes \$27,500 to purchase 100 bunk beds at \$275 per set. Captain Dempsey states that the existing bunk beds at the Brig are wire framed bunks with springs which are dangerous since the springs could be used as weapons. Each of the proposed bunk beds would sleep 2 persons, so the purchase of 100 bunk beds would provide beds for a total of 200 persons. Captain Dempsey states that the request for 100 bunk beds would provide 60 (200 less 140) spare bunk beds for use in the Brig or elsewhere in the County Jails. (See Recommendation No. 7.) A total of 150 mattresses would be purchased at a cost of \$7,500.

The materials and supplies budget also includes uniforms (\$14,500), bullet proof vests (\$11,020) and weapons (\$14,500) for the 29 new sworn personnel positions that would be created under File 102-97-6. Lockers for 70 staff members would be provided at a cost of \$12,250. Captain Dempsey advises that the Brig currently has only 15 quarter-sized lockers, which are not large enough to hold Sheriff's Department uniforms. The office supplies budget of \$6,000, or \$1,000 per month, is based on typical monthly costs at other jails. A budget of \$15,000 for cleaning supplies is designed to provide a start-up inventory and ongoing supplies based on costs at other jails. (See Recommendation No. 8.)

Food costs of \$16,624 are based on an increased daily cost per inmate of \$0.919 over the \$1.096 cost per inmate at Jail No. 3, which was originally quoted to the Sheriff's Department by the Aramark Corporation, which has an existing contract to provide food for all County Jails. However, as of the writing of this report, Captain Dempsey has advised the Budget Analyst that the Sheriff's Department is negotiating with the Aramark Corporation, and anticipates little or no differential in food cost per inmate from that already included in the Department's FY 1997-98 budget. (See Recommendation No. 9.)

The materials and supplies budget also includes \$2,580 for two bottled water dispensers. Captain Dempsey advises that the \$2,400 listed under miscellaneous supplies would fund a \$400 per month pest control contract for six months. Captain Dempsey states that the Sheriff's Department would utilize the existing Citywide contract with Applied Pest Management to provide this service.

Utilities and Other Services (\$102,486)

The \$102,486 budget for services includes garbage pickup, sewer and other utilities, expansion of existing contracts with the Signal Electric Company for maintenance of the fire and security systems, vehicle fuel, background exams for Deputy Sheriff position candidates, to be conducted by firms that have existing contracts with the Sheriff's Department (Dee Moody Investigations and Foundation Health Psychological Services), and wiring for telephones and computers.

Vehicles (\$55,000)

The Sheriff's Department is requesting three vehicles. A Taurus Sedan would be used by the Captain, who would be the Brig facility commander and would be on call 24 hours per day. A Mini Van and a Crown Victoria would be used to transport prisoners to courts, hospitals, etc. However, as of the writing of this report, the Sheriff's Department was discussing the possible use of Navy vehicles for this purpose. Therefore, the Budget Analyst recommends that the \$55,000 requested for the subject three vehicles be reserved pending the outcome of such negotiations. (See Recommendation No. 10.)

Equipment (\$170,260)

The \$170,260 equipment budget includes a total of \$53,100 for 30 handheld radios and 3 radios for vehicles. Ten Scott Air Packs, which are self-contained breathing units used in fire suppression, are budgeted for \$25,000. The equipment budget includes \$8,000 for a hydraulic lift, to change ceiling light bulbs. Captain Dempsey states that the ceilings at the Brig are high and cannot be reached safely with ladders.

Captain Dempsey states that, although the Navy used a common room for inmate meals for fewer than 70 inmates, the Sheriff's Department has determined that, with the larger number of 140 inmates anticipated, this would not be a secure or efficient way to serve meals. The Sheriff's Department plans to serve inmates meals in the dormitory areas, and in this connection is requesting \$16,800 to purchase 14 steel tables with attached stools, which would be bolted to the floor.

Captain Dempsey advises that all County jails have a camcorder for use in filming incidents that occur. The proposed equipment budget includes \$1,550 for such a camcorder. Seventy gunlockers would be purchased for \$15,810. Captain Dempsey states that, in addition to the lockers mentioned above for storage of uniforms, separate lockers are needed for sworn employees to store their weapons. The proposed equipment budget would also provide \$5,000 for purchase of a non-lethal weapon known as an "Arwen," which Captain Dempsey states is a weapon which shoots projectiles containing chemical agents or rubber bullets. Captain Dempsey states that all six County jails have one such weapon.

Finally, the equipment budget includes \$45,000 for purchase of computers and printers. However, Captain Dempsey updated this estimate following submission of an estimate from a vendor, which totaled \$31,500 for nine computers and printers. Therefore, the equipment budget should be reduced by \$13,500, from \$45,000 to \$31,500. (See Recommendation No. 11.)

Comments:

1. Mr. Florin advises that under the City's Cooperative Agreement with the Navy, the City would be required to pay a \$0.05 per square foot per month common area maintenance charge to the Navy once the lease of the Brig is signed. Mr. Florin states that the Sheriff would be responsible for paying this charge. If the lease runs for

approximately seven months (effective December 1, 1997) in FY 1997-98, based on Mr. Florin's estimate of the likely lease approval time, the Sheriff would be charged \$8,789 (\$0.05 times 25,110 square feet times seven months). This amount has not been included in the proposed supplemental appropriation.

2. According to the Sheriff's Department, the current jail population of approximately 500 inmates at Jail No. 3 can be reduced by 240 inmates to 260 inmates by (1) housing 140 inmates at the Brig; and (2) dispersing another 100 inmates through the other five (excluding San Bruno) County Jail facilities.

3. Although two bond measures that would have funded construction of a jail to replace Jail No. 3 in San Bruno were not approved by the voters, the Sheriff's Department is currently reviewing proposals for alternative funding sources to replace County Jail No. 3 without submitting another bond measure for voter approval. Captain Dempsey states that, once a replacement jail has been built, the Sheriff's Department and the Mayor's Office will determine whether or not to continue operation of the Brig as a jail, depending upon the size of the jail population at that time, the number of jail beds in the system, and the City's overall plans for development of Treasure Island. Captain Dempsey advises that the personnel at the Brig would likely be transferred to the replacement jail if a decision is made to close the Brig.

4. Captain Dempsey advises that the Sheriff's Department has not conducted an analysis to determine whether renovation and operation of the Brig is less costly than contracting with Alameda County or Lake County to house the subject 140 inmates. However, Captain Dempsey states that she believes that, after taking into account the higher transportation costs in Alameda County, the overall cost is probably comparable to operation of the Brig. Captain Dempsey states that the overall cost of housing inmates in Lake County may be less than the cost to operate the Brig, but the logistical problems entailed by such long distance housing outweigh the cost advantages of such an arrangement.

5. The Sheriff's Department has identified the contractors who would receive the subject capital improvement funds, their MBE/WBE status and their compliance with the Equal Benefits Ordinance, as described above. We consider the proposed requested waiver of the competitive bidding requirement for such contracts (File 172-97-64) to be a policy decision for the Board of Supervisors.

It should be noted that this proposed ordinance (File 172-97-64) would also waive competitive bidding requirements for contracts related to repair of County Jail No. 3. Lt. LaVigne has identified approximately \$988,000 in repairs that might be carried out at County Jail No. 3, although as of the writing of this report, no decision has been made as to which repairs will be implemented, when they would be implemented or what funding source would be used. Such estimated costs of \$988,000 to repair County Jail No. 3 are not included in this subject supplemental appropriation request (File 101-97-20).

6. The proposed staffing would give the Brig a lower ratio of inmates to sworn staff than any of the other six County jails. Even after a reduction for salary savings, the Brig would have approximately 64 sworn Deputy Sheriffs and supervisory officers, for a projected maximum daily inmate population of 140. In other words, there would be one sworn staff person for approximately every 2.19 inmates. In comparison, at County Jails 8 and 9, which currently have the lowest ratio of inmates to staff, there is approximately one sworn staff person for every 2.34 inmates; at County Jails 1 and 2 there is approximately one sworn staff person for every 4.22 inmates, and at County Jails 3, 5 and 7 in San Bruno there is approximately one sworn staff person for every 7.12 inmates. This data is based on staffing figures from the Sheriff's Program Budget for FY 1997-98, and average inmate data provided by the Sheriff in June of 1997.

As shown in Attachment No. 4, the Sheriff states that all of the Deputy Sheriff positions at the Brig would staff fixed posts (i.e. posts that must be staffed 24 hours per day). Using a relief factor of 1.78, each post requires staffing by at least 5 positions.

7. Two of the posts, which would be staffed by a total of 10 Deputy Sheriffs, are assigned to Cell Blocks A and B, respectively, which each contain a total of five individual cells which meet double cell space requirements and thus can accommodate a maximum of 10 inmates each. Captain

BOARD OF SUPERVISORS
BUDGET ANALYST

Dempsey states that these two posts could not be combined into one post that would move back and forth between the two cell blocks, because of the layout of the building, which would require the officers staffing the post to walk around the control room to travel between the cell blocks, and prohibit viewing of both cell blocks simultaneously. However, the Budget Analyst believes that every possible alternative, including changes in the configuration of the Brig or leaving the cell blocks empty should be examined to overcome the inefficiencies of allocating 10 Deputy Sheriff positions to provide full time, around the clock monitoring for two posts to guard a total of 10 cells, containing a maximum of 20 inmates, or a ratio of one Deputy Sheriff position for every two inmates.

In contrast, the remaining 120 maximum number of inmates (140 total less 20 to be housed in Cell Blocks A and B) would be monitored from three posts requiring 15 Deputy Sheriffs (See Attachment No. 4 provided by the Sheriff's Office), or a ratio of one Deputy Sheriff position for every 8 inmates, compared to the proposed one Deputy Sheriff position for every 2 inmates at Cell Blocks A and B.

Therefore, the Budget Analyst recommends that the posts assigned to Cell Blocks A and B be combined, thereby reducing the required staffing by 5 Deputy Sheriffs, at a savings of \$96,554 in salaries and approximately \$22,676 in fringe benefits or a total of \$119,230 in FY 1997-98 or an annual savings of approximately \$316,333 at Step 5, including \$239,465 in salaries and \$76,868 in fringe benefits.

At a minimum, the Budget Analyst recommends reserving the \$119,230 and withholding approval of the subject 5 Deputy Sheriff positions, pending provision to the Finance Committee of a report by the Sheriff examining (1) the relative cost of remodeling the building to permit combining the Cell Block A and B posts versus the ongoing annual cost of these positions; and (2) the option of not using one or both of the cell blocks because of their exorbitant staffing expense.

8. The proposed staffing plan would provide 12 supervisory officers for 56 Deputy Sheriffs. The Budget Analyst recommends disapproving one of the requested 2 new 8310 Sheriff's Lieutenants, because during the daytime shift it should be sufficient to have supervision by the Captain, Sergeant and Senior Deputy. Elimination of this one position would save \$35,617 in salaries and \$10,620 in fringe benefits in FY 1997-98 or a total of \$46,237. The Sheriff

BOARD OF SUPERVISORS
BUDGET ANALYST

disagrees with this recommendation, stating that "If the Lieutenant is not approved, the Treasure Island Facility will operate without a Lieutenant on the midnight watch." Our recommendation is to eliminate the Lieutenant on the day shift when the Captain, Sergeant, and Senior Deputy are on duty.

In addition, the Budget Analyst recommends disapproval of three of the requested four new 8306 Senior Deputy Sheriffs. Even if one of the two daytime Lieutenant positions described above is not approved (as the Budget Analyst has recommended), both non-daytime shifts would be staffed by a Lieutenant and a Sergeant, in addition to the Captain. Planned transfers from Jail No. 3 will also permit staffing by one 8306 Senior Deputy Sheriff during the daytime shift, to work with the Sergeant. The Budget Analyst believes that four layers of management should not be required to supervise 56 Deputy Sheriffs and oversee operations for 140 inmates. Elimination of three of the four requested 8306 Senior Deputy Sheriff positions would save \$88,676 in salaries and \$22,650 in fringe benefits in FY 1997-98 or a total of \$111,326. The Sheriff, after reviewing the proposed staffing level, believes that three of the four Senior Deputy positions are necessary and would agree to a reduction of only one Senior Deputy position.

9. The proposed staffing plan would provide a Senior Stationary Engineer and a Stationary Engineer, as well as a Plumber. In the professional judgment of the Budget Analyst, the Brig should not require the full time, permanent services of two engineers. Captain Dempsey states that two engineers are needed. However, it should be possible to obtain the services of an engineer from one of the other jails or from the DPW to handle urgent problems when the staff engineer is not available. Captain Dempsey states that the Department of Public Works (DPW) charges a high administrative fee and requires that a minimum number of hours be billed. The Budget Analyst notes that both DPW and the Sheriff work for the City and a cooperative, reasonable agreement could be reached to assist the Sheriff in the event of emergencies. The FY 1997-98 savings by eliminating the 7334 Station Engineer is \$31,862 in salaries and \$5,466 in fringe benefits or a total savings of \$37,328.

10. The proposed Special Assistant VIII position at an annual salary of \$51,025 at the top step would serve not only the Brig, but also other jail facilities in collecting and maintaining data on participation by inmates in

BOARD OF SUPERVISORS
BUDGET ANALYST

educational and vocational instructional programs. The Sheriff's Department states that this position is needed to improve efforts to raise funds for such programs. While this may be a justifiable position, it does not directly relate to functioning of the Brig. The Budget Analyst recommends that the Special Assistant VIII position be cut at this time. The Sheriff's Department should request such a position, if it is needed, in the context of the annual budget process. Elimination of the requested 1367 Special Assistant VIII position would save \$37,328 in salaries and \$4,097 in fringe benefits in FY 1997-98, for a total of \$41,425.

11. In summary, the Budget Analyst recommends that 11 of the 35 requested new positions be disapproved. It should be noted that, in addition to the 35 requested new positions, an additional 39 positions are to be transferred from Jail No. 3 for a total allocation of 74 positions to staff the Brig.

12. The Budget Analyst's recommendations, listed below, represent a reduction in the supplemental appropriation of \$400,045 from \$2,100,000 to \$1,699,955, and reserves totaling \$55,000.

13. The Sheriff requests that any reductions to the operating budget for the Brig be reserved by the Finance Committee for use in carrying out further capital improvements which are not funded by the subject supplemental appropriation but should, in the judgment of the Sheriff, be carried out. The Budget Analyst does not disagree, as long as any additional capital improvements are justified by the Sheriff to the Finance Committee.

14. This report has been reviewed by the Mayor's Treasure Island Project Office and by the Sheriff's Department. The Sheriff's response, issued on October 6, 1997, in which he disagrees with all of the recommended personnel reductions with the exception of deleting one Senior Deputy position, is included as Attachment No. 5 to this report.

Recommendations:

1. Waiver of the competitive bidding requirements for contracts to repair or renovate the Brig and County Jail No. 3 (File 172-97-64) is a policy decision for the Board of Supervisors.

2. Do not approve the creation of five of the 19 proposed 8304 Deputy Sheriff positions. Reduce the supplemental appropriation by \$119,230. (See Comment No. 7.) At a minimum, reserve the \$119,230 and withhold approval of the subject 5 Deputy Sheriff positions, pending provision to

BOARD OF SUPERVISORS
BUDGET ANALYST

the Finance Committee of a report by the Sheriff examining (1) the relative cost of remodeling the building to permit combining the Cell Block A and B posts versus the ongoing annual cost of these positions; and (2) the option of not using one or both of the cell blocks because of their exorbitant staffing expense.

3. Do not approve one of the requested 8310 Sheriff's Lieutenant positions. Reduce the supplemental appropriation by \$46,237. (See Comment No. 8.)

4. Do not approve three of the requested four 8306 Senior Deputy positions. Reduce the supplemental appropriation by \$111,326. (See Comment No. 8, second paragraph.)

5. Do not approve the 7334 Stationary Engineer. Reduce the supplemental appropriation by \$37,328. (See Comment No. 9.)

6. Do not approve the 1367 Special Assistant VIII position. Reduce the supplemental appropriation by \$41,425. (See Comment No. 10.)

7. The proposed materials and supplies budget would fund the purchase of 30 extra bunk beds, over the 70 needed to provide beds for 140 prisoners (see section on Materials and Supplies). The Budget Analyst recommends that the budget provide 5 spare bunk beds, rather than 30 spare bunk beds. The Materials and Supplies budget should be reduced by \$6,875 (25 bunk beds times \$275 per bunk bed).

8. Captain Dempsey states that the \$15,000 budgeted for cleaning supplies can be reduced by \$7,500, to \$7,500. Captain Dempsey states that the Sheriff's Department will absorb any cleaning supply costs above \$7,500 in its FY 1997-98 budget. Therefore, a reduction of \$7,500 should be made.

9. As described under Materials and Supplies, the Sheriff is negotiating with the Aramark Corporation, which holds the contract to provide food at County Jails, and anticipates that the cost of food per prisoner per day will be similar to the \$1.096 that the Sheriff currently pays at Jail No. 3. Therefore, the \$16,624 budgeted to fund higher food costs should be deleted from the Materials and Supplies request. Therefore, the total Materials and Supplies request of \$129,874 should be reduced by \$30,999 (\$6,875 plus \$7,500 + \$16,624) to \$98,875.

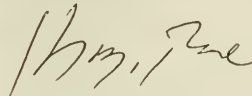
10. Reduce the \$45,000 requested for computers and printers by \$13,500, based on a recent estimate provided by a vendor (see section on Equipment) and reduce the total Equipment requested of \$170,260 by \$13,500 to \$156,760.

11. Reserve the \$55,000 requested for purchase of three vehicles, pending the outcome of negotiations with the Navy regarding the City's use of Navy vehicles (see section on Vehicles).

12. In total reduce the supplemental appropriation request (File 101-97-20) of \$2,100,000 by \$400,045 to \$1,699,955 and reserve \$55,000 of the recommended amount of \$1,699,955.

13. Approval of the proposed supplemental appropriation (File 101-97-20), as amended, is a policy matter for the Board of Supervisors.

14. Amend the Annual Salary Ordinance (File 102-97-6) by deleting the 11 positions as recommended above. Approval of the Annual Salary Ordinance, as amended, is a policy decision for the Board of Supervisors.



Harvey M. Rose

cc: Supervisor Leal
President Kaufman
Supervisor Brown
Supervisor Ammiano
Supervisor Bierman
Supervisor Katz
Supervisor Medina
Supervisor Newsom
Supervisor Teng
Supervisor Yaki
Supervisor Yee
Clerk of the Board
Controller
Matthew Hymel
Stephen Kawa
Ted Lakey

BOARD OF SUPERVISORS
BUDGET ANALYST

Fiscal Year 1997-98 Costs for Treasure Island Brig - 140 Prisoners
Opening Date 2/1/98

PERSONNEL

Hire 11/01/97 17.26 pp

1 - 7335 Sr. Stationary Engineer	\$36,004
1 - 7334 Stationary Engineer	\$31,862
1 - 7347 Plumber	\$40,820

\$108,686

Fringe @ 17.155%

\$18,645

1 - 8312 Captain -	\$46,136
1 - 8310 Lieutenant	\$40,285
1 - 8308 Sergeant	\$36,142
1 - 8306 Senior Deputy	\$33,433

\$155,996

Fringe @ 24.965%

\$38,944

H/S @ \$216 pp for 7

\$26,097

Hire 11/29/97 15.26 pp

1 - 8310 Lieutenant	\$35,617
2 - 8308 Sergeant	\$63,909
3 - 8306 Senior Deputy	\$88,676

\$188,202

Fringe @ 24.965%

\$46,985

19 - 8302 Deputy Sheriff 1	\$366,484
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Fringe @ 15.655%

\$57,373

2 - 8420 Program Coordinator	\$65,160
1 - 1367 Special Assistant VIII	\$23,882

\$89,042

Fringe @ 17.155%

\$15,275

H/S @ \$216 pp for 28

\$92,292

Total

\$1,204,021

MATERIALS AND SUPPLIES

Bunks (\$275 a set)	\$27,500
Vests for 29 (@\$380)	\$11,020
Lockers for 70 (@\$175)	\$12,250
Office Supplies (@ \$1000 per mo)	\$6,000
Uniforms for 29 (@500)	\$14,500
Weapons/Leather (@ \$500)	\$14,500
Bottled Water (2 @ \$430 per mo)	\$2,580
Food Costs (\$2.015)	\$16,624
Cleaning Supplies	\$15,000
Mattresses at \$50 ea	\$7,500
Clothing	0
Miscellaneous Supplies	\$2,400
Total	\$129,874

SERVICES

Garbage (@ \$280 p/u)	\$29,120
Sewer/Utilities (@ \$5000 per mo)	\$30,000
Fire Maintenance @ \$496 per mo)	\$2,976
Security Maintenance @ \$500 per mo)	\$3,000
Vehicle Fuel @ \$400 per mo	\$2,400
Background exams for 50 at \$300 each	\$15,000
Wiring for phones and computers	\$19,990
Total	\$102,486

VEHICLES

1 Taurus Sedan	\$15,000
1 Mini Van	\$20,000
1 Crown Victoria	\$20,000
Total	\$55,000

EQUIPMENT

30 Handheld Radios-HT 1000 at \$1570 each	\$47,100
Radios for Vehicles @ \$2000	\$6,000
Scott Air Packs @ \$2500	\$25,000
Hydraulic Lift	\$8,000
Security Tables @ \$1200	\$16,800

EQUIPMENT (continued)

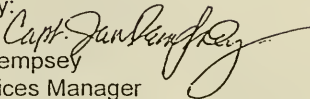
1 Camcorder	\$1,550
Gunlockers for 70 - @\$2635 for 12 bank	\$15,810
Arwen	\$5,000
Computers with Printers @ \$7500	\$45,000
Total	\$170,260

SUMMARY

Personnel	\$1,200,151
Materials and Supplies	\$129,874
Services	\$102,486
Vehicles	\$55,000
Equipment	\$170,260
Capital Improvements	<u>\$442,229</u>

Total Request \$2,100,000

Prepared and Submitted by:


Captain Jan Dempsey
Financial Services Manager
September 11, 1997

Attachment 2**Brig - Capital Cost Estimates****Estimates**

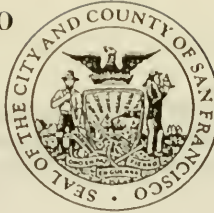
Item	
1 Smoke Dection System Upgrades and Replacement	\$226,950
2 Security System Upgrades and Replacement	\$240,000
3 Security Fencing and Yard/Emergency Refuge Area	\$250,000
4 CSFM Code Required Upgrades	
M.I.S Construction	\$300,000
DPW	\$100,000
5 Kitchen & Laundry Upgrades	\$100,000
6 DPH/JPS Upgrades	\$50,000
7 Micellaneous Operational Modifications	\$50,000
Total - Brig Capital Costs	\$1,316,950

The City Attorney's Office opines that waiver of the competitive bidding requirements of Administrative Code Sections 6.01, 6.04 and 6.05 is proper in light of the order issued by Judge H. William Orrick of the United States District Court finding that Jail No. 3 suffers from serious constitutional defects that may pose a safety to the safety of the inmates presently housed there. Amongst the defects, the Judge found the following: (1) there was a potential fire hazard because of the absence of fire rated door assemblies and the need of additional fire sprinklers; (2) there was a seismic risk because of the jail's structural deficiencies and its close proximity to the San Andreas fault; and (3) the jails water, plumbing and sewer systems were inadequate and potentially created safety hazards.

In light of the Judge's findings, the Sheriff's Department and the Director of Public Works believe that renovations to the former Navy Brig at Treasure Island and repairs to Jail No. 3 should be made promptly to ensure that the facilities are safe for the housing of inmates. Complying with the competitive requirements of the Administrative Code would delay the correction of the potential safety hazards noted in the Judge's Order.

City and County of San Francisco

OFFICE OF THE SHERIFF



Michael Hennessey
SHERIFF

(415) 554-7225

September 29, 1997

Eve Sternberg
Budget Analyst Office
Board of Supervisors
Fox Plaza, 10th Floor
San Francisco, CA 94103

Dear Ms. Sternberg:

Enclosed is a detailed breakdown by posts for all staff for the Treasure Island jail facility. All posts are fixed posts, required seven days a week, with the relief staff necessary to maintain a constant presence in areas where prisoners will either be housed or attending classes. The relief factor for a seven day a week post is 1.78. No relief is applied to Supervisory personnel. Also enclosed is a floor plan for the facility.

SWORN STAFF

Outer Perimeter

The outer perimeter post is necessary to provide for constant security rounds of the facility. This is required to minimize the likelihood of escapes, prevent, to the extent possible, attempted escapes and to maintain a general level of security for the persons inhabiting the Island. This post is required on all 3 watches. On the 2nd watch, 0800 to 1600 HRS., this post also provides security and visual observation of prisoners participating in recreation within the perimeter recreation yards.

Control Room

The control room is the heart of all security operations. The security panel and main fire panel is located in the control room. The security panel controls all interior and perimeter doors at the facility. All movement within the facility is controlled by the control room. This post is required on all 3 watches.

Dorms 1 and 2

This housing unit is on the first floor and is designed with a 3/4 wall in the center of the dormitory. There will be 30 prisoners on each side and 1 deputy assigned on each watch. A staff person is needed at all time to insure proper supervision.

Dorms 3 and 4

This housing is on the second level of the jail facility and is similar in design to Dormitories 1 and 2.. This housing area can hold 40 prisoners and requires one staff person on each watch. A staff person is needed at all times to provide proper supervision.

Dorm 5

This housing is adjacent to dorms 3 and 4, separated by a full wall with a door way opening to dorms 3 and 4. This smaller dormitory can hold 20 prisoners and requires one staff person on each watch to insure the proper supervision of the prisoners.

Cell Block A

This is located on the first floor, northside, and is comprised of 5 single cells which meet double cell space requirements. This unit can hold 5 to 10 prisoners and requires a staff person on each watch to insure proper supervision of the prisoners housed there.

Cell Block B

This is located on the first floor, southside, and is comprised of 5 single cells which meet double cell space requirements. This unit can hold 5 to 10 prisoners and requires a staff person on each watch to insure proper supervision of the prisoners housed there.

Floater/Relief

This post is to provide the necessary relief for meal breaks at the various post positions in the jail facility. Staff are entitled to a 15 minute break and a 30 minute lunch break. On the 2400 to 0800 HRS watch and the 1600 to 2400 HRS. watch, the relief post will also assist in monitoring the distribution of meals to the prisoners and will be responsible for pulling prisoners in the morning for court and processing in the late court returns in the afternoon who arrive after 1500 HRS. On the 0800 to 1600 HRS. watch, 2 positions for this purpose are necessary due to the high level of activity on a daywatch. Prisoners need escort to attorney visits, to attend classess out of dormitories, to go to medical and recreation.

The following are primarily daywatch functions and are staffed only on the daywatch:

Kitchen/Laundry

The jail facility has a kitchen and laundry across the hall from one another, allowing for one deputy to provide adequate supervision in both areas. This post will also be responsible for maintaining adequate supplies and inventory of necessary items throughout the jail facility.

Movement

This post is needed to provide the necessary supervision for movement to classes on the first and second floors of the jail facility. Further, the movement post, with the relief and floater posts, will be responsible for escorting prisoners to attorney visits, regular visits, recreation, medical and dental appointments and assisting in meal delivery.

Classification/Processing

This post is needed to review housing cards of prisoners received to insure proper housing and classification. This post also interviews prisoners upon arrival. This post is also responsible for processing the newly arrived prisoners into the jail facility, insure they have necessary bedding and clothing and explain jail rules and regulations.

Transportation

Transportation teams are required for overlapping shifts to insure the proper number of staff to get prisoners to court at the Hall of Justice and to return them to the jail facility after court has concluded. Generally, court vans will leave by 0700 and return several times a day with court returns. The last vans should be received between 1500 and 1600 HRS. All transportation personnel travel in teams of two officers for officer safety reasons. On weekends, transportation will be provided from the Hall of Justice to Treasure Island to assist the family members and other friends of prisoners housed on Treasure Island to receive visits.

Supervisory Personnel

The Captain is the Facility Commander and responsible for the 24 hour operation of the jail facility.

There is a Lieutenant (Watch Commander), Sergeant (Assistant Watch Commander) and Senior Deputy (Housing Supervisor) assigned to each shift. On the 0800 to 1600 HRS. shift, there is an additional Lieutenant (Administrative/ Training Supervisor) and an additional Senior Deputy to oversee the housing and educational areas in the jail facility.

CIVILIAN STAFF

Program Coordinators

Two program coordinators are required to provide necessary supervision to instructors providing educational and vocational instruction to prisoners through the Prisoner Jail Programs. As in other jail facilities, classes will begin at 0900 and conclude at 2000 HRS. Adequate and necessary coverage requires two personnel for this purpose. The other Direct Supervision jails, which have similar programs, have 2 Program Coordinators on site to provide necessary coverage.

Special Assistant VIII

This is a newly created position to assist Program staff at Treasure Island and in other jail facilities to maintain adequate records of attendance and completion rates for prisoners. This information assists in obtaining funds for the Prisoner Programs through Milpitas School District and assists the Department in actively and aggressively competing for grant funds to enhance the programs offered in the jail facilities. To date, this function has not been staffed and information needed for grants, in particular, has been sorely lacking. A newly designed computer system will be in place by the time Treasure Island opens, affording the Department the opportunity to begin a reliable collection of information. No support staff is available to the Programs personnel for this necessary function. This new position will provide the necessary support. The JAQ, prepared for the Department of Human Services, will also be faxed to you.

Engineers

Engineers are needed to perform routine maintenance and emergency repairs at the jail facility. At least two are needed to insure coverage at least five days a week. Existing engineering staff within the Sheriff's Department are unavailable for reassignment as repairs must be continued at San Bruno in light of the recent court decision. General maintenance needs include repairing locks, replacing lights, addressing electrical problems which may arrive, installation of necessary equipment, such as bunks and tables, and general building maintenance. The Department can not rely on routine maintenance from the Department of Public Works due to the workload at that Department.

Plumber

A plumber is needed to provide routine maintenance and emergency repairs as needed in the laundry, kitchen and housing areas. Clogged toilets and drains are very problematic in a jail facility, especially in dormitory housing where a limited number of toilets and showers are available.

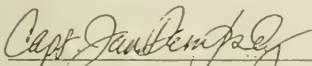
SWORN STAFF REASSIGNED FROM COUNTY JAIL #3 (SAN BRUNO)

The County Jail #3 facility is budgeted for 104 positions. 65 positions are required to operate the areas of the jail which will remain open, including the kitchen and laundry which are required for County Jail #7, located on the same grounds. 39 positions will be reassigned to the Treasure Island jail facility. These positions are 1 Lieutenant, 1 Sergeant and 37 Deputy Sheriff's.

I will be sending a list of capital improvements to you before noon today. It appears we may not have an answer about the availability of vehicles at Treasure Island until sometime next week. I will still do my best to get a commitment from the Mayor's Office staff at Treasure Island about securing vehicles already on the Island.

I hope this information addresses some of the concerns you expressed yesterday. If you have any questions regarding this information, please contact me at 553-9504.

Sincerely,


JAN DEMPSEY, CAPTAIN
Facility Commander, CJ#1

STAFFING PLAN FOR TREASURE ISLAND 9/97

Sworn Staff

2400 to 0800 HR. Watch (Minimum)

Outer Perimeter	1
Control Room	1
Dorm 1 and 2	1
Dorm 3 and 4	1
Dorm 5	1
Cell Block A	1
Cell Block B	1
Floater/Relief	1
Supervisor	1

Total Required: 8 Posts with relief (1.78) = 14 Deputy Sheriff's

	<u>3</u> Supervisors
Total	17

0800 to 1600 HR. Watch (Minimum)

Recreation/ Outer Perimeter	1
Control Room	1
Dorm 1 and 2	1
Dorm 3 and 4	1
Dorm 5	1
Cell Block A	1
Cell Block B	1
Kitchen/Laundry	1
Movement	1
Classification/ Processing	1
Floater/Relief	2
Supervisors	2

Total Required: 12 Posts with relief (1.78) = 21 Deputy Sheriff's

	<u>6</u> Supervisors
Total	27

1600 to 2400 HR. Watch (Minimum)

Outer Perimeter	1
Control Room	1
Dorm 1 and 2	1
Dorm 3 and 4	1
Dorm 5	1
Cell Block A	1
Cell Block B	1
Floater/Relief	1
Supervisor	1

Total Required: 8 Posts with relief (1.78) = 14 Deputy Sheriff's
3 Supervisors
Total 17

Transportation

2 teams are required.

4 Deputy Sheriff's with relief (1.78) = 7 Deputy Sheriff's

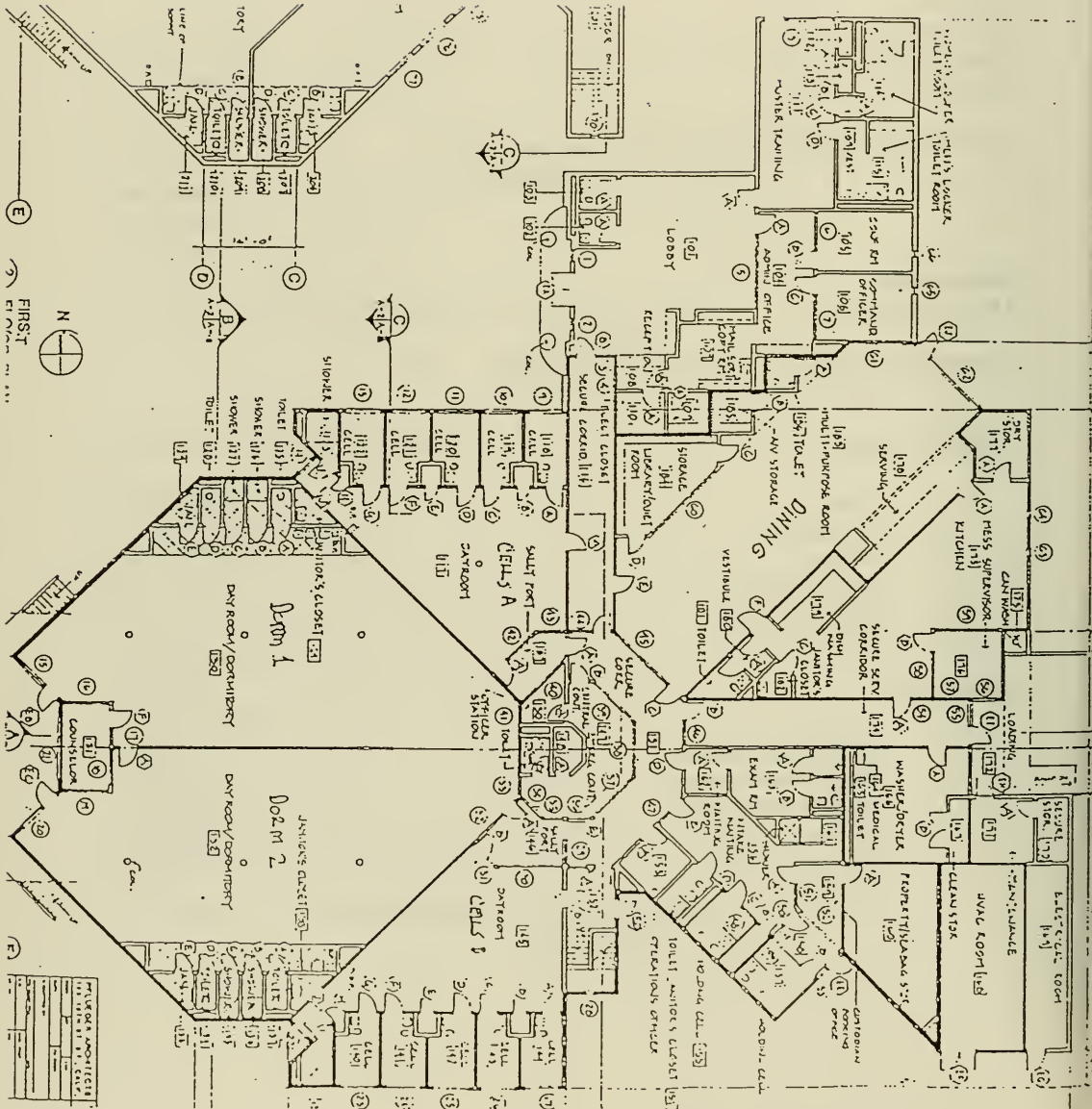
Total Sworn Needed:

1	Captain
4	Lieutenants
3	Sergeant's
4	Senior Deputies
<u>56</u>	Deputy Sheriff's
68	TOTAL

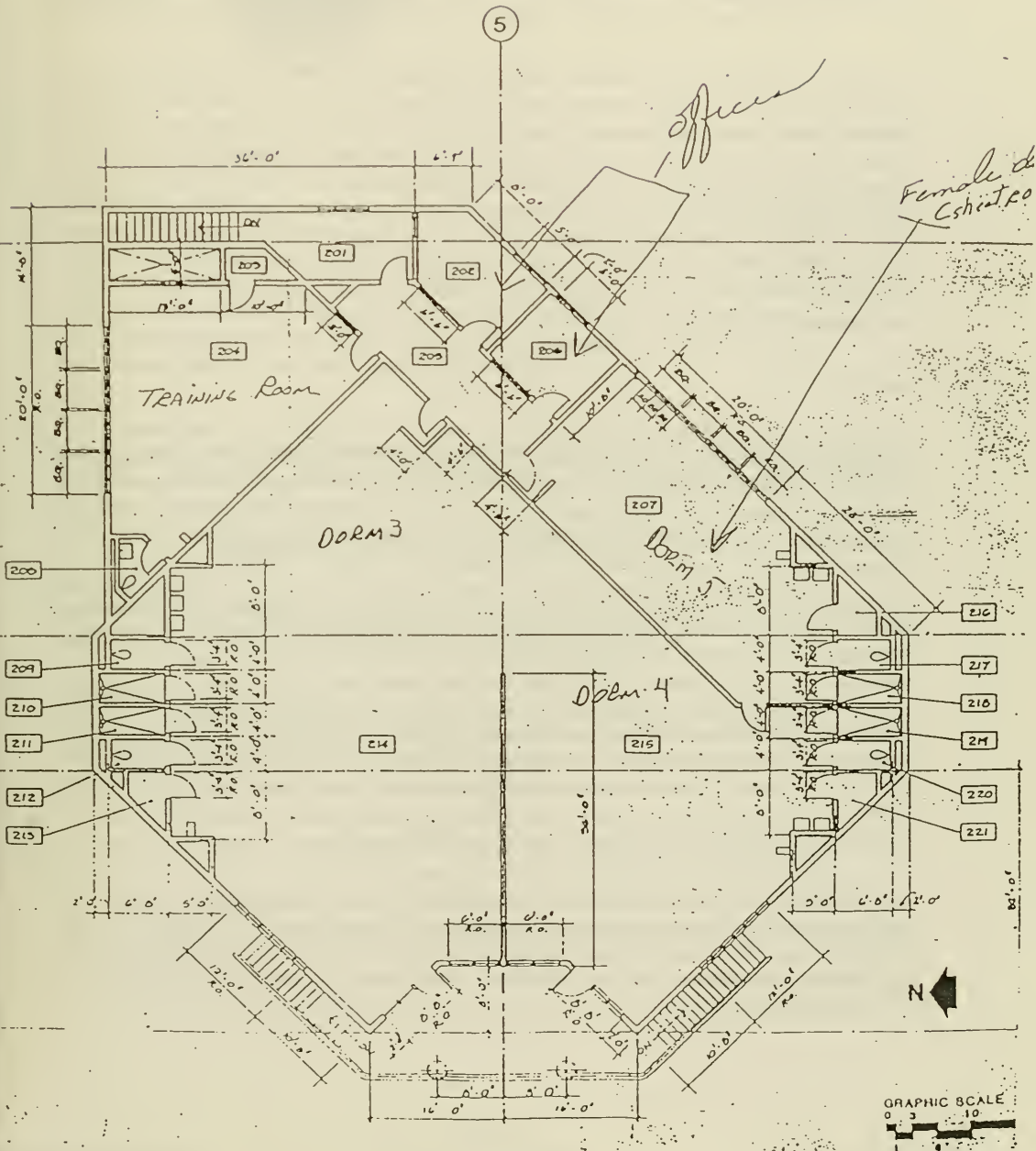
Civilian Staff

2	Program Coordinators
1	Special Assistant V111
1	Sr. Stationary Engineer
1	Stationary Engineer
<u>1</u>	Plumber
6	TOTAL

Treasure Island

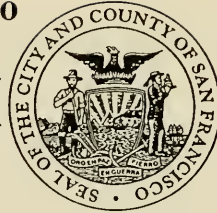


2nd Floor-Naval Brig Treasure Island



City and County of San Francisco

OFFICE OF THE SHERIFF



Michael Hennessey
SHERIFF

(415) 554-7225

October 6, 1997

Eve Sternberg
Budget Analyst Office
Board of Supervisors
Fox Plaza, 10th Floor
San Francisco, CA 94102

Dear Ms. Sternberg:

The Sheriff's Department has reviewed the recommendations made in your report regarding the supplemental appropriation for the Treasure Island Brig. I am providing the following response:

Recommendation 1: The Sheriff's Department agrees with this recommendation.

Recommendation 2: The Sheriff's Department disagrees with this recommendation. No housing unit can be opened without the available staff to provide uninterrupted supervision. Both A and B block cannot be operated by 1 post position as they are physically separated, with no connecting doorway or hallway that provides for clear unobstructed vision. Your report indicates the Sheriff needs 10 Deputy Sheriff's to supervise 5 cells with a maximum of 10 prisoners. This is not correct. The deputy positions are required to supervise 2 separate housing units, each containing 5 cells with a maximum of 10 prisoners. So the Deputy positions are supervising a total of 20 prisoners. If these positions are not approved, the Sheriff's Department will be unable to open one of these blocks of housing. This will reduce the total prisoners housed at Treasure Island by 10 and will not maximize the housing available in the brig.

Recommendation 3: The Sheriff's Department disagrees with this recommendation. If the Lieutenant is not approved, the Treasure Island Facility will operate without a Lieutenant on the midnight watch. With a facility completely isolated as the Treasure Island brig is from other jails and emergency response staff, it is critical to have a Lieutenant in the Watch Commander position, assigned to each shift.

Recommendation 4: The Sheriff's Department disagrees with this recommendation. Each shift requires a minimum of 1 Senior Deputy to insure adequate supervisor coverage seven-days-a-week. If 3 of the 4 positions are not approved, the Department will require the use of overtime to insure the proper supervision of shifts. After reviewing the proposed staffing level, the Sheriff believes three of the four are needed and would agree to a reduction of 1 Senior Deputy.

Recommendation 5: The Sheriff's Department disagrees with this recommendation. Only the San Bruno compound and the New Sheriff's facility have engineering staff. The staff assigned to these sites are routinely occupied with preventative maintenance and emergency repairs. It is not possible to routinely expect an engineer can be reassigned to cover a vacancy at Treasure Island. The Department of Public Works is not readily available for repairs at Treasure Island. They are generally only able to respond in the event of an emergency to other Sheriff's Facilities. And, when they do respond on an emergency basis, there is a very high administrative fee and a guaranteed minimum number of hours billed. Since the Sheriff's Department will have to commit most, if not all, of the Facility Maintenance funds in FY 1997-98 to renovate Treasure Island, the Sheriff's Department will not have funds to use to request any service from the Department of Public Works. The second engineer is necessary to work on preventative maintenance issues and respond to emergencies as they arise.

Recommendation 6: The Sheriff's Department disagrees with this recommendation. While it is true the position requested is not for the sole use of Treasure Island, it is the case the addition of another program jail in yet another geographically distinct location is stretching the consistent collection information and statistics beyond the Department's capability. Programs are operated in every jail in the system, in three separate geographic locations. There have been no increases in staffing for this function. There is a less than adequate method of collecting information and evaluating programs in place which will be unable to encompass Treasure Island. If the Department is to continue collecting statistical information and evaluating program effectiveness in an effort to maximize the use of resources, this position is needed.

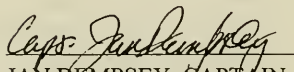
The Sheriff's Department agrees with recommendations 7 through 11. However, the Sheriff requests that \$8789 be added from the savings realized to pay for the per month common area maintenance charge identified in Comment 1 of your report. The Sheriff's Department was unaware of this cost when the supplemental was submitted.

The Sheriff's Department also disagrees with Comment 13 of your report. The Sheriff's Department has prepared a list of capital projects which need to be done, but for which estimates have not been gotten, given the priority and urgency of the immediate renovation projects. The Sheriff's Department strongly requests that any savings realized through recommendations from your office which are accepted by the Finance Committee be added to the reserve and set aside for continuing capital needs at Treasure Island. The Sheriff's Department understands the release of the reserve would be contingent on the Department providing adequate detail to satisfy questions from the members of the Finance Committee.

The Sheriff's Department appreciates this opportunity to respond to your report.

If you have any questions, please contact me at 554-7225.

Sincerely,


JAN DEMPSEY, CAPTAIN
Facility Commander, CJ#1

cc: Sheriff Michael Hennessey
Andres Acevedo, Mayor's Office

CALENDAR

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OCT 20 1997

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Finance Committee Board of Supervisors City and County of San Francisco

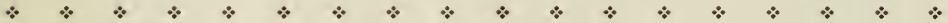
REGULAR MEETING

WEDNESDAY, OCTOBER 22, 1997, 1:00 P.M.

VETERANS BUILDING
401 VAN NESS AVENUE, ROOM 410
SAN FRANCISCO, CA 94102

MEMBERS: Supervisors Susan Leal, Barbara Kaufman, Amos Brown

CLERK: Rosemary Little-Horanzky



Disability Access



Both the Committee Room (Room 410) and the Chamber (Room 404) are wheelchair accessible. The closest accessible BART Station is Civic Center, four blocks from the Veterans Building. Accessible MUNI lines serving this location are: #42 Downtown Loop and the #71 Haight/Noriega and the F line to Market and Van Ness and the METRO stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call 923-6142.



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- ❖ For American sign language interpreters or the use of a reader during a meeting, contact Violeta Mosuela at (415) 554-7704.
- ❖ For a large print copy of an agenda, contact Moe Vazquez at (415) 554-4909.

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Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. The Sunshine Ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force at 554-4851.

FINANCE COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

REGULAR MEETING

WEDNESDAY, OCTOBER 22, 1997 - 1:00 P.M.

VETERANS BUILDING
401 VAN NESS AVENUE
ROOM 410

MEMBERS: SUPERVISORS SUSAN LEAL, BARBARA KAUFMAN, AMOS BROWN

CLERK: ROSEMARY LITTLE-HORANZY

1. File 195-97-1. [Jail Overcrowding Fine Account] Resolution authorizing the Sheriff to supplement its existing contract with the San Francisco Pretrial Diversion Project in the amount remaining in the jail overcrowding fine account for the purpose of reducing jail population. (Supervisor Kaufman)
(Continued from 10/15/97.)

ACTION:

2. File 101-97-20. [Appropriation, Treasure Island Brig] Ordinance appropriating \$2,100,000, Sheriff Department from General Reserve-Treasure Island Brig to fund the costs associated with staffing, operation and capital improvement of the Naval Brig on Treasure Island; companion measure to Files 102-97-6 and 172-97-64. (Mayor)
(Continued from 10/15/97.)

ACTION:

3. File 102-97-6. [Salary Ordinance Amendment, Sheriff] Ordinance amending Ordinance No. 307-97 (Annual Salary Ordinance, 1997/98), Sheriff's Office, reflecting the creation of thirty five (35) new positions and the reclassification of one (1) existing position; companion measure to File 101-97-20. (Mayor)
(Continued from 10/15/97.)

ACTION:

4. File 172-97-64. [Treasure Island and Jail No. 3 Improvements] Ordinance waiving the competitive bidding requirements of Administrative Code Sections 6.01, 6.04 and 6.05 and authorizing the Director of the Department of Public Works and/or the Sheriff to expeditiously enter into contracts for the renovation, furnishing and equipping of the former Navy brig at Treasure Island and repairs to Jail No. 3; companion measure File 101-97-20. (Mayor)
(Continued from 10/15/97.)

ACTION:

5. File 64-97-15. [Lease of Property at 2299 Market Street] Resolution authorizing a lease of real property at 2299 Market Street, San Francisco (The AIDS/HIV Life Center), for the Department of Public Health. (Real Estate Department)
(Continued from 10/15/97.)

ACTION:

6. File 82-97-3. [Rescission of Noise Easements] Resolution authorizing the granting of quitclaim deeds to rescind noise easements acquired from various property owners. (Real Estate Department)

ACTION:

7. File 64-96-7.1. [Lease Amendment, 30 Van Ness Avenue] Resolution authorizing an amendment to a lease of real property at 30 Van Ness Avenue, San Francisco, for the Department of Human Services. (Real Estate Department)

ACTION:

8. File 64-97-14. [Lease Amendment, 30 Van Ness Avenue] Resolution authorizing an amendment to a lease of real property at 30 Van Ness Avenue, San Francisco, for the Department of Human Services. (Also see File 64-95-13). (Real Estate Department)

ACTION:

9. File 101-95-45.2. [Reserved Funds, Fire Department] Hearing to consider release of reserved funds, Fire Department (1992 Fire Protection Bond interest earnings), in the amount of \$75,000, for the purpose of funding the construction contract of Station No. 10 renovation; companion to File 101-96-12.2. (Department of Public Works)

ACTION:

10. File 101-96-12.2. [Reserved Funds, Fire Department] Hearing to consider release of reserved funds, Fire Department (1992 Fire Protection Bond proceeds), in the amount of \$300,000, for the purpose of funding the construction contract of Station No. 10 renovation; companion to File 101-95-45.2. (Department of Public Works)

ACTION:

11. File 28-97-8. [Emergency Repair, Castlewood Reservoir] Resolution authorizing expenditure of funds in the amount of \$650,000 for the design and construction of replacement wells at Castlewood Reservoir, Alameda County. (Public Utilities Commission)

ACTION:

LEGISLATION UNDER THE 30-DAY RULE

Rule 5.40 provides that when an ordinance or resolution is introduced which would create or revise major city policy, the committee to which the legislation is assigned shall not consider the legislation until at least thirty days after the date of introduction.

There are no items now pending in the Finance Committee
that fall under the 30 day Rule.

Watch future Calendars.

FINANCE COMMITTEE
S.F. Board of Supervisors
Veterans Building
401 Van Ness Avenue, Room 308
San Francisco, CA 94102

IMPORTANT HEARING NOTICE!!!

Bill Lynch
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CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

97
1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

October 17, 1997

TO: Finance Committee

FROM: Budget Analyst *Recommendation for next*

SUBJECT: October 22, 1997 Finance Committee Meeting

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Item 1 - File 195-97-1

Note: This item was continued by the Finance Committee at its meeting of October 15, 1997, pending an Amendment of the Whole to be submitted. This report is based on information we have been advised will be included in the Amendment of the Whole. However, as of the writing of this report, we have not yet been provided with the finalized Amendment of the Whole.

Department: Sheriff's Department

Item: Resolution authorizing the Sheriff's Department to supplement funding for increasing the number of eligible inmates in residential program beds, using funds remaining in the Jail Overcrowding Fine Account.

Amount for Sheriff: \$33,177 (See Comment No. 2)

Source of Funds: Jail Overcrowding Fine Account

Description: According to Captain Jan Dempsey of the Sheriff's Department, the Jail Overcrowding Fine Account was created by court order for the purpose of reducing the population of the San Francisco County Jail No. 1, located in the Hall of Justice at 850 Bryant Street. Captain Dempsey advises that

under the court order, \$300 per prisoner per day was deposited in the Jail Overcrowding Fine Account whenever the capacity of the jail went over the maximum capacity set by the Board of Corrections. The monies deposited in the Jail Overcrowding Fine Account were then used to fund programs to relieve jail overcrowding, subject to approval of a court-appointed Federal Master and the Board of Supervisors. According to Captain Dempsey, the court order was dismissed in December of 1996 and contributions to the Jail Overcrowding Fine Account ceased. Captain Dempsey states that, as of October 1, 1997, a balance of \$33,177 remains in the Jail Overcrowding Fine Account which can be used by the Sheriff (see Comment No. 2).

Mr. Buck Delventhal of the City Attorney's Office advises that because the original court order was dismissed, the City must now obtain a subsequent court order to access the remaining funds in the Jail Overcrowding Fine Account. By approving this resolution, which would authorize the Sheriff's Department to use \$33,177 of the monies remaining in the Jail Overcrowding Fine Account (subject to appropriation approval by the Board of Supervisors) for a project which works to alleviate jail overcrowding, the City Attorney could obtain the necessary court order. According to Mr. Delventhal, once the court order is obtained and the funds are released, the Sheriff's Department will request a supplemental appropriation, subject to approval by the Board of Supervisors, to spend those funds.

According to Captain Dempsey, since the Federal Court issued an order indicating that County Jail #3 located in San Bruno has seismic and fire safety defects which breach the constitutional protections of the inmates. Captain Dempsey advises that, the Sheriff's Department believes that the amount of the Jail Overcrowding Fine Account monies of \$33,177 which is available to the Sheriff should be used to increase the number of eligible prisoners in residential treatment program beds.

The Attachment is a memo from Captain Dempsey which provides information about using the Jail Overcrowding Fine Account Funds for increasing the number of residential treatment program beds.

This proposed legislation does not appropriate funds and any expenditures remaining in the Jail Overcrowding Fine Account would be subject to subsequent appropriation approval by the Board of Supervisors.

BOARD OF SUPERVISORS
BUDGET ANALYST

Comments:

1. As noted above, approval of the proposed resolution would enable the City Attorney to obtain a court order for release of the remaining monies in the Jail Overcrowding Fine Account. The Sheriff's Department will submit a separate request for a supplemental appropriation to the Board of Supervisors and provide budget details for the expenditure of the \$33,177 from the Jail Overcrowding Fine Account which is available to the Sheriff.

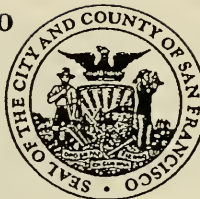
2. We are advised that the Amendment of the Whole will address the fact that in excess of \$50,000 is available in the Jail Overcrowding Fine Account and may address the use of such funds in addition to the \$33,177 which is available for the Sheriff.

Recommendation:

Approval of the proposed resolution is a policy matter for the Board of Supervisors.

City and County of San Francisco

OFFICE OF THE SHERIFF



Michael Hennessey
SHERIFF

(415) 554-7225

October 9, 1997

Monique DeShaw *JDG*
Budget Analyst Office
Board of Supervisors
Fox Plaza, 10th Floor
San Francisco, CA 94102

Dear Ms. DeShaw *JDG*:

In response to your request, I am providing the following information:

When this matter was first brought up, the Sheriff's Department believed the best use of the funds would be to augment the existing Supervised Pretrial Release program, operated by the San Francisco Pretrial Diversion Project. Since that time, the Federal Court issued an order indicating that many conditions at County Jail #3 are unconstitutional. In light of this order, the Sheriff's Department believes any additional funding coming from Jail Overcrowding Fine money should be used to increase the number of eligible prisoners in residential treatment program beds.

Residential treatment program beds are used for sentenced prisoners released from jail through the County Parole Board, which consists of representatives from the Sheriff's Department, Probation Department and the Superior Court. As sentenced prisoners, these people are fully under the control of the Sheriff. There are always some number of sentenced prisoners in the County Jail system who are eligible for residential treatment programs but for whom residential beds are not available due to limited funding.

The Supervised Pretrial Release program targets prisoners held in custody in a pretrial status on felony charges pending their preliminary hearing. This type of release is beyond the control of the Sheriff, relying instead on the courts and District Attorney's Office. While this program contributes to reducing jail overcrowding by getting people out of jail pending their next court hearing, there is no guarantee additional persons will be released at any given time.

With a \$33,877 increase to the \$228,855 committed in the Sheriff's general fund budget for residential treatment beds at Milestones, the Sheriff's Department plans to modify the existing contract with Milestones to house 2.5 additional prisoners per day. This amount of funding will allow the Sheriff's Department to increase the average number of prisoners in residential beds at Milestones from 11 per day to 13.5 per day for the remainder of the fiscal year.

I hope you find this information satisfactory. Please call me at 553-9509⁴ or Sergeant James at 554-4316 if you have any questions.

Sincerely,


JAN DEMPSEY, CAPTAIN
Facility Commander, County Jail #1

Items 2, 3 and 4 - Files 101-97-20, 102-97-6 and 172-97-64

Note: These items were continued by the Finance Committee at its meeting of October 15, 1997.

Departments: Sheriff's Department
Department of Public Works (DPW)

Items: File 101-97-20: Supplemental appropriation from the General Fund reserve to fund the costs associated with the staffing, operation and capital improvement of the Naval Brig on Treasure Island.

File 102-97-6: Amendment to the FY 1997-98 Annual Salary Ordinance to create 35 new positions and reclassify one existing position in the Sheriff's Department.

File 172-97-64: Ordinance waiving the competitive bidding requirements of Administrative Code Sections 6.01, 6.04 and 6.05 and authorizing the Director of the Department of Public Works and/or the Sheriff to expeditiously enter into contracts for the renovation, furnishing and equipping of the former Navy Brig at Treasure Island and repairs to Jail No. 3.

**Amount of Supplemental
Appropriation:** \$2,100,000

Source of Funds: General Fund Reserve - Treasure Island Brig
established in the FY 1997-98 Budget

Description: As previously reported to the Finance Committee, the Sheriff is proposing to renovate and operate the Naval Brig on Treasure Island (the Brig) as a County Jail. The proposal would involve renovating the Brig to permit an average daily occupancy of 130 to 140 prisoners who would otherwise be housed at Jail No. 3 in San Bruno, as part of an effort to relocate as many inmates as possible from Jail No. 3 in response to a ruling of the United States District Court that Jail No. 3 has seismic and fire safety defects which breach the constitutional protections of inmates.

In connection with this effort to renovate and operate the Brig, the Sheriff's Department and the DPW originally (1) requested the expenditure of \$2.1 million from a General Fund Reserve which was established in the FY 1997-98 budget process to fund (a) renovations to the Brig (b) 35 new permanent staff positions to operate the Brig and (c) related services, materials and equipment (File 101-97-20); (2)

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Finance Committee
October 22, 1997 Meeting of Finance Committee

requested an amendment to the Annual Salary Ordinance to create the 35 new permanent staff positions (File 102-97-6),; and (3) requested waiver of competitive bidding requirements for contracts related to renovation of the Brig and repair of Jail No. 3, in order to expedite the completion of such renovations and repairs (File 172-97-64).

In our prior reports to the Finance Committee, the Budget Analyst recommended reducing the supplemental appropriation by \$400,045, from \$2,100,000 to \$1,699,955, and disapproving 11 of the 35 requested new positions. The Sheriff's Department is now proposing to reduce the staffing request by 8 positions, from 35 new positions to 27 new positions. A memo from Captain Jan Dempsey of the Sheriff's Department, detailing the current position of the Sheriff's Department, is shown as Attachment No. 1 to this report.

Comments:

1. As noted above, the Budget Analyst recommended disapproval of 11 of the 35 new positions initially requested by the Sheriff. The Sheriff has proposed to withdraw 8 of the 11 positions identified for disapproval by the Budget Analyst, as shown below:

Positions Recommended for <u>Disapproval by Budget Analyst</u>		<u>Request Withdrawn by Sheriff</u>	<u>Savings in FY 1997-98</u>	<u>Top Step Annual Savings</u>
<u>No.</u>	<u>Position Title</u>			
5	8304 Deputy Sheriff*	Yes	\$128,022	\$305,145
2	8306 Sr. Deputy Sheriff	Yes	80,468	143,892
<u>1</u>	1367 Special Assistant VIII	Yes	<u>31,275</u>	<u>65,418</u>
8			\$239,765	\$514,455
1	8306 Sr. Deputy Sheriff	No	40,234	71,946
1	8310 Lieutenant	No	47,805	89,493
<u>1</u>	7334 Stationary Engineer	No	<u>41,056</u>	<u>62,084</u>
3			\$129,095	\$223,523

* For Deputy Sheriff positions, the FY 1997-98 savings reflects the fact that Deputy Sheriffs start in the 8302 Deputy Sheriff classification. After 18 months, 8302 Deputy Sheriffs are reclassified as 8304 Deputy Sheriffs, at a higher salary scale. The annual savings is based on the top step for 8304 Deputy Sheriffs.

BOARD OF SUPERVISORS
BUDGET ANALYST

The Budget Analyst recommends that, at a minimum, the Board of Supervisors not approve the eight positions (seven sworn positions and one civilian position) for which the request has been withdrawn by the Sheriff. The Budget Analyst considers approval of the remaining three positions that we originally recommended for disapproval, but which the Sheriff is still requesting, to be a policy decision for the Board of Supervisors. See Attachment No. 1 for the Sheriff's explanation of why these positions are needed.

2. The chart below compares proposed staffing at the Brig, (assuming the reduction of 7 sworn personnel from the original request, as recommended by the Budget Analyst and agreed to by the Sheriff) in relation to inmate capacity, with staffing and inmate capacity at the existing County Jails facilities, based on data provided by the Sheriff.

County Jail Facility	Board of Corrections Rated Capacity	Number of Deputies	Number of Supervisors	Ratio of Deputies/ Supervisors	Ratio of Inmates/ Deputies	Ratio of Inmates/ Sworn Staff*
No. 1	426	64	12	5.33	6.66	5.61
No. 2	372	69	12	5.75	5.39	4.59
No. 3	554	89	15	5.93	6.22	5.33
No. 7	300	50	12	4.17	6.00	4.84
No. 8	440	89	15	5.93	4.94	4.23
Women's Jail Facility**						
No. 1	66	20	N.A.	N.A.	3.30	N.A.
No. 2	43	30	N.A.	N.A.	1.43	N.A.
No. 8	144	40	N.A.	N.A.	3.60	N.A.
Brig***	130	51	10	5.10	2.55	2.13
Brig	140	51	10	5.10	2.75	2.30

*Sworn staff includes deputies and supervisors.

**The Sheriff requested that this table show statistics for the women's portion of County Jail facilities, because these facilities are closer in capacity of inmates to the 130-140 inmate capacity of the Brig, which has a smaller capacity than any of the other County Jail facilities for men. The overall Jail facility statistics at the top of this chart also include the women's Jail facilities. The Sheriff advises that supervisors are not assigned specifically to the women's portion of the jail facilities, so ratios including supervisory staff are not available for the women's jail facilities.

***The table shows statistics for the Brig under two assumptions: (1) an inmate capacity of 130, assuming that either Cell Block A or Cell Block B is not used and the ten inmates who would have been housed there cannot be accommodated in the dormitory areas of the Jail; and (2) an inmate capacity of 140, assuming that the Sheriff reallocates staff to permit housing of this number of inmates.

7. In our prior reports to the Finance Committee, the Budget Analyst recommended reducing the proposed Materials and Supplies request by \$30,999, from \$129,874 to

BOARD OF SUPERVISORS
BUDGET ANALYST

\$98,875. We also recommend reducing the proposed Services budget by \$13,500, from \$102,486 to \$88,986, because of a price quotation obtained by the Sheriff for wiring costs that indicates the costs would be \$13,500 less than originally budgeted. (In our earlier report, based on information provided by the Sheriff's Department, we recommended taking this reduction in the Equipment budget. However, the Sheriff has now clarified that this reduction should be made to wiring costs in the Services budget.) The Sheriff agrees with these proposed reductions.

8. The Sheriff's proposed budget includes \$45,000 for computers and related equipment. This is based on a recent price quotation for nine personal computers, eight printers and related equipment that will be networked, using an existing central file server computer that will be relocated to the new facility. Because the final configuration of the facility is not yet known, the computer network design is preliminary and subject to change. Such changes could reduce the projected need for nine personal computers and eight printers. Also, since the new facility will not open until March, 1998, it is unlikely that the Sheriff would order the network equipment until 45 to 60 days prior to the March, 1998 opening. Over the next several months, it is projected that the costs quoted for the computer equipment specified will significantly decrease. Consequently, the Budget Analyst recommends that the \$45,000 for computer equipment be placed on reserve until a final network design can be completed and revised price quotation that correspond more closely to the timing of the opening of the facility, can be obtained.

9. The proposed supplemental appropriation should be reduced by \$167,833 to reflect a later start date than originally anticipated. Personnel originally scheduled for hire on November 1, 1997 will now be hired on November 15, 1997, or one pay period later; personnel originally scheduled for hire on November 29, 1997 will now be hired on January 2, 1997, or two pay periods later. The Sheriff now expects the Brig to open on March 1, 1997.

10. The Finance Committee requested a four-year projection of the additional costs to the City, over the current cost of housing the subject 130 to 140 inmates at Jail No. 3, of utilizing the Brig for this purpose. This projection is shown on the following page, along with the anticipated costs of start-up and operation from March 1, 1998 through June 30, 1998. The main elements of this cost are: (1) Sheriff Department personnel costs; (2) Department of Public

Memo to Finance Committee
October 22, 1997 Meeting of Finance Committee

Health (DPH) Forensics personnel costs; (3) renovation costs; and (4) start-up costs of equipment and supplies.

The Sheriff provided a projection of personnel costs for the requested 27 new positions (35 originally requested less a reduction of 8 which he has agreed to), which is shown as Attachment No. 2. As noted by the Sheriff in Attachment No. 2, this projection does not include premium pay (such as POST Certificate Pay or Supervisory Pay); nor does it project pay increases based on current or future MOU agreements. Therefore, the Budget Analyst has adjusted the Sheriff's projections assuming 3 percent annual overall increases to personnel costs.

At the October 15, 1997 Finance Committee meeting, the Sheriff advised that DPH Forensics costs would also be incurred at the Brig, which had not been included in the subject supplemental appropriation. The DPH has provided the cost information shown on the next page for annual Forensics costs related to operation of the Brig. These costs also assume 3 percent annual increases to personnel costs. Mr. Matthew Hymel of the Mayor's Office advises that these figures were provided by the DPH in their initial pending supplemental appropriation request, and will be reviewed by the Mayor's Office over the next several weeks and subsequently submitted to the Board of Supervisors.

Lt. Michael LaVigne, the Sheriff's Capital Improvement Manager, advises that an estimated \$1,316,950 in capital improvements are needed at the Brig. Although these capital improvements would not be funded entirely through the subject supplemental appropriation (see detailed description in the Budget Analyst's October 8 and 15 reports to the Finance Committee), the capital improvements would be funded through various General Fund appropriations. The projected \$1,316,950 in capital improvement costs are shown on the next page spread evenly over a four-year period, starting in the first four months of FY 1997-98, as suggested by the Mayor's Office.

<u>Cost Category</u>	<u>FY 1997-98</u>	<u>FY 1998-99</u>	<u>FY 1999-00</u>	<u>FY 2000-01</u>	<u>FY2001-02</u>
Sheriff Personnel	\$792,553	\$1,695,135	\$1,901,964	\$1,992,961	\$2,090,055
Sheriff Start-Up	310,635				
DPH Forensics Start-Up	80,175				
DPH Forensics Personnel	263,408	826,141	850,925	876,453	920,276
Utilities and Other Services	88,986	115,032	117,435	119,784	122,180
Capital Improvements	<u>109,746</u>	<u>329,238</u>	<u>329,238</u>	<u>329,238</u>	<u>219,492</u>

Total Costs to Operate the Brig Which are in Excess of the Present Cost to house 130 to 140 prisoners at County Jail No. 3	\$1,645,503	\$2,965,546	\$3,199,562	\$3,318,436	\$3,352,003
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BOARD OF SUPERVISORS
BUDGET ANALYST

In addition, the Sheriff proposes to transfer 37 Deputy Sheriffs and 2 sworn supervisory personnel to the Brig from Jail No. 3. The Mayor's Office advises that this will involve a transfer of approximately \$2.4 million per year (\$800,000 in FY 1997-98) in personnel costs from the Jail No. 3 budget to the Brig. Food costs of approximately \$56,000 per year would also be transferred from Jail No. 3 to the Brig.

11. Commander Ryan of the Alameda County Sheriff's Department advised the Budget Analyst that Alameda County would not be able to house the subject 130 to 140 prisoners during FY 1997-98, because Alameda County Jails are currently at or near capacity. Commander Ryan states that he cannot predict whether or not space would be available in FY 1998-99 or future years.

On the basis of an informal price quotation provided by Commander Ryan, the Budget Analyst estimates that the cost of housing 140 San Francisco inmates in Alameda County jails would range from \$3,446,695 per year at the Santa Rita Jail to \$4,818,730 per year at the North County Jail in Oakland. This estimate indicates that the incremental annual cost of housing inmates at the Brig (approximately \$3 million in FY 1998-99) is less than the estimated full cost of housing inmates in the Alameda County Jails. However, the full cost of housing inmates at the Brig, which includes an additional \$2.5 million per year for staff transferred from Jail No. 3 and for food, totals approximately \$5.5 million, and therefore exceeds the estimated cost of housing the subject inmates in Alameda County by approximately \$700,000 to \$2.1 million per year. Nevertheless, as stated above, this is not an option during FY 1997-98.

- Recommendations:**
1. Waiver of the competitive bidding requirements for contracts to repair or renovate the Brig and County Jail No. 3 (File 172-97-64) is a policy decision for the Board of Supervisors.
 2. Do not approve the creation of five of the 19 proposed 8304 Deputy Sheriff positions. Reduce the Personnel budget of the supplemental appropriation by \$128,022.
 3. Do not approve two of the requested four 8306 Senior Deputy positions. Reduce the Personnel budget of the supplemental appropriation by \$80,468.
 4. Do not approve one 1367 Special Assistant VIII position. Reduce the Personnel budget of the supplemental

BOARD OF SUPERVISORS
BUDGET ANALYST

appropriation by \$31,275.

5. In summary of Recommendations 2,3 and 4, do not approve eight of the 35 requested positions, and reduce the Personnel budget of the supplemental appropriation by a total of \$239,765 (\$179,442 in salaries and \$60,323 in fringe benefits), from \$1,200,151 to \$960,386 to reflect the deletion of these eight position requests.

6. Approval of (1) one of the two requested 8310 Sheriff's Lieutenant positions, at a cost of \$47,805; (2) an additional one of the four requested 8306 Senior Deputy positions, at a cost of \$40,234; and (3) the 7334 Stationary Engineer position, at a cost of \$41,056 are policy decisions for the Board of Supervisors.

7. Reduce the Personnel budget by another \$167,833, from \$960,386 to \$792,553, to reflect a later start date than originally anticipated.

8. Reduce the Materials and Supplies budget by \$30,999, from \$129,874 to \$98,875, based on specific recommendations of \$6,875 related to bunk beds, \$7,500 related to cleaning supplies, and \$16,624 related to food costs.

9. Reduce the Services budget by \$13,500, from \$102,486 to \$88,986, based on quotations for wiring costs obtained by the Sheriff.

10. Reserve the \$55,000 requested for purchase of three vehicles, pending the outcome of negotiations with the Navy regarding the City's use of Navy vehicles.

11. Reserve the \$45,000 requested for computers and related equipment. (See Comment No. 8.)

12. In total reduce the supplemental appropriation request (File 101-97-20) of \$2,100,000 by \$452,097 to \$1,647,903 and reserve \$100,000 of the recommended amount of \$1,647,903.

13. Approval of the proposed supplemental appropriation (File 101-97-20), as amended, is a policy matter for the Board of Supervisors.

14. Amend the Annual Salary Ordinance (File 102-97-6) by deleting the 8 positions as recommended above. Approval of the amended Annual Salary Ordinance, which would include the three positions that were questioned by the Budget Analyst but which the Sheriff has not agreed to

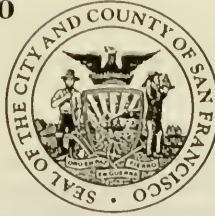
BOARD OF SUPERVISORS
BUDGET ANALYST

withdraw, is a policy decision for the Board of Supervisors.

In summary, acceptance of the Budget Analyst's recommendations (a) would result in a total reduction of \$452,097 from the subject request of \$2,100,000, (b) would result in total reserves of \$100,000, and (c) would result in the deletion of eight of the requested 35 new positions.

City and County of San Francisco

OFFICE OF THE SHERIFF



Michael Hennessey
SHERIFF

(415) 554-7225

October 10, 1997

Reference: F/S 97-342

Eve Sternberg
Budget Analyst Office
Board of Supervisor
Fox Plaza, Suite 1025
San Francisco, CA 94102

Dear Eve:

I have attached a new cost breakdown for positions with the following changes:

1. All hiring dates have been moved ahead one pay period. Due to the continuance, the initial hiring dates would not be accomplished.
2. We have reduced the requested number of 8302 Deputy Sheriff's 1 from 19 to 14. The Sheriff believes we should be able to find a more efficient method of supervising A and B Blocks or we will not open one of the blocks. We have also moved back the start date of the 8420 Program Coordinators.
3. We have reduced the total request of 8306 Senior Deputy's from four to two. The Sheriff believes it is necessary to have at least 2 of the requested Senior Deputies for adequate supervisory coverage and relief. We hope your office will review and reconsider your earlier recommendation on this issue.
4. We have included all requested Lieutenant positions. Your most recent report indicated only 2 were necessary since the Captain could provide the necessary supervision on the daywatch. The Captain spends as much time as possible in the jail, circulating throughout the watches and monitoring operations for the total jail. Captains also attend community meetings, Management meetings and work on longer term projects both at their facilities and throughout the Department. We hope your office will review and reconsider your earlier recommendation on this issue.

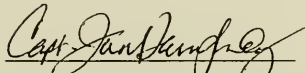
5. We have deleted the request for the Special Assistant VIII. We will pursue this at another time.

6. We have kept in the Stationary Engineer. The Sheriff strongly believes this positions is both necessary and critical to maintain a functional operating jail facility. We hope your office will review and reconsider your recommendation on this issue.

We estimate the savings of these changes to be \$317,650.

I can be contacted at either 553-9504 or 554-7217 on Tuesday, October 14, 1997, if you have any questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "Capt. Jan Dempsey", written over a horizontal line.

JAN DEMPSEY, CAPTAIN

Facility Commander, CJ#1

cc: Board President Barbara Kaufman
Supervisor Susan Leal
Supervisor Amos Brown

Fiscal Year 1997-98 Costs for Treasure Island Brig - 140 Prisoners

Opening Date 2/1/98

PERSONNEL

Hire 11/15/97 16.26 pa periods

1 - 7335 Sr. Stationary Engineer	\$33,918	
1 - 7334 Stationary Engineer	\$30,016	
1 - 7347 Plumber	\$38,455	
		\$102,389
Fringe @ 15.325	\$15,691	

1 - 8312 Captain	\$43,463	
1 - 8310 Lieutenant	\$37,951	
1 - 8308 Sergeant	\$34,048	
		\$115,426
Fringe @ 24.64%	\$28,450	

1 - 8306 Senior Deputy		\$31,496
Fringe @ 26.09%	\$8,217	
H/S @ \$216 pp for 7	\$24,585	

11/15/97 14.26
Hire ~~12/13/97~~ 15.26 pay periods

1 - 8310 Lieutenant	\$33,283	
2 - 8308 Sergeant	\$59,721	
		\$93,004

Fringe @ 24.8007%	\$23,066	
1 - 8306 Senior Deputy		\$27,622
Fringe @ 26.2507%	\$7,251	

14 - 8302 Deputy Sheriff 1		\$252,345
Fringe @ 15.325%	\$38,672	
H/S @ \$216 pp for 18	\$59,331	

9.26
Hire 2/7/98 ~~10.26~~ pay periods

2 - 8420 Program Coordinator		\$43,810
Fringe @ 15.325	\$6,714	
H/S @ \$216 pp for 2	\$4,432	

Total Salary	\$666,092
Total Fringe Benefits	\$216,409

Total	\$882,501
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TREASURE ISLAND STAFF COSTS
1998 - 1999 TO 2001 - 2002 FISCAL YEARS
10/15/97

BASED ON PAY RATES AND FRINGE BENEFITS IN EFFECT 10/1/97.

CLASSIFICATION	QTY	AVE. RATE 1998-1999	AVE. RATE 1999-2000	AVE. RATE 2000-2001	AVE. RATE 2001-2002
7334 Stationary Engineer	1	\$48,181	\$48,365	\$48,181	\$48,181
7335 Sr. Stationary Eng.	1	54,445	54,653	54,445	54,445
7347 Plumber	1	61,727	61,963	61,727	61,727
8304 Deputy Sheriff	14	466,616	556,802	582,082	610,583
8306 Sr. Deputy Sheriff	2	104,035	106,529	106,123	106,123
8308 Sheriff's Sergeant	3	167,875	176,221	175,549	175,549
8310 Sheriff's Lieutenant	2	125,332	132,100	134,206	134,206
8312 Sheriff's Captain	1	71,932	75,823	76,891	76,891
8420 Program Co-ordinator	2	113,378	113,813	113,378	113,378
TOTAL	27	1,213,520	1,326,270	1,352,580	1,381,082
NIGHT PAY		30,235	34,008	34,929	35,926
UNIFORM ALLOWANCE		15,400	15,400	15,400	15,400
TOTAL PAY		1,259,155	1,375,678	1,402,909	1,432,408
FRINGE BENEFITS					
PERCENTAGE BENEFITS					
CIVILIANS		112,003	42,725	42,562	42,562
DEPUTIES & SR. DEP.		29,060	181,695	188,508	196,315
OFFICERS (SGT & UP)		93,907	98,793	99,431	99,431
PER CAPITA BENEFITS		151,637	152,218	151,637	151,637
TOTAL FRINGE BENEFITS		386,607	475,432	482,139	489,946
TOTAL PERSONNEL COSTS		\$1,645,762	\$1,851,110	\$1,885,048	\$1,922,353

Increases in pay and individual premium pay not included. Most common individual premium pay includes POST Certificate Pay, Bi-Lingual Pay, Supervisory Pay, & Engineering Premium Pay.

Item 5 - File 64-97-15

Note: This item was continued by the Finance Committee at its meeting of October 15, 1997.

Department: Department of Public Health (DPH)
Department of Real Estate (DRE)

Item: Resolution authorizing a lease of real property at 2299 Market Street for the Department of Public Health.

Location: 2299 Market Street, intersection of Noe and 16th Streets

Purpose of Lease: Lease is for a portion of a proposed community health facility which has not yet been built. The facility is to consist of a four story office building. Once constructed, DPH will lease approximately 72 percent or 15,021 square feet of the rentable area of the building. DPH plans to use the 15,021 square feet of DPH leased space in the building for existing AIDS/HIV services including subletting to DPH contractors which provide AIDS/HIV services. DPH is also exploring the possibility of opening a satellite San Francisco General Hospital AIDS Clinic at the location.

Size of Lease: 15,021 square feet (approximately 72 percent of the total 20,930 rentable square feet of the building) including portions of the basement, the second and the third floors, and all of the fourth floor of the proposed building.

Lessor: The AIDS/HIV Life Center

Lessee: Department of Public Health

Rental Cost: \$20,430 per month for base rent, or \$245,160 annually, based on \$1.36 per square foot per month for 15,021 square feet. In addition to the base rent of \$245,160 per year, the City would pay 72 percent (its prorata share) of all expenses incurred by The AIDS/HIV Life Center related to The AIDS/HIV Life Center's ownership and operation of the building. (See Comment No. 3).

Utilities and Janitorial Services Provided by Lessor: None. City would be responsible for the cost of separately metered utilities. City would pay 100 percent of janitorial costs for its leased space and 72 percent of such costs for common areas incurred by The AIDS/HIV Life Center.

Other Costs: City would be responsible for 72 percent of all costs incurred by The AIDS/HIV Life Center to operate the building (See Comment No. 3).

Term of Lease: On or about the date of the completion of tenant improvements through June 30, 2009, or approximately ten years. Three options to renew for additional five-years each, for a total potential rental term of 25 years.

Rent Adjustment Clause: Base rent of \$1.36 per square foot shall not be increased through the lease term of approximately ten years. However, reductions to the base rent may be instituted by The AIDS/HIV Life Center, as a result of The AIDS/HIV Life Center's ability to retire debt for construction of the building through fundraising efforts. Under the proposed lease, The AIDS/HIV Life Center is required to make a good faith effort for the accelerated reduction of its construction debt. Once The AIDS/HIV Life Center has retired its construction debt, the City's base rent shall be reduced to zero and such zero base rent rate would remain in effect through the balance of the original 10 year term as well as the three five year renewal option periods, for a total of up to 25 years.

Source of Funds: DPH proposes to fund all costs related to this lease from Federal, State, and General Fund monies currently allocated to programs providing AIDS/HIV related services in the City. Ms. Monique Zmuda of DPH advises that DPH expects to fund 100 percent of all costs related to this lease, including base rent, utilities, and operations costs within existing Federal, State, and General Fund monies allocated for AIDS/HIV care and will not require any additional General Fund support.

Ms. Zmuda advises that DPH has not yet determined how the space will be used, and that the nonprofit contractors who may occupy the space have not yet been finalized. According to Ms. Zmuda, final determinations of how the space will be used will not be made until the lease is approved and the project moves forward, and at that time DPH will enter into planning and negotiations for the best use of the space. Ms. Zmuda reports that currently, DPH contracts with approximately 85 AIDS/HIV service providers in San Francisco and estimates that DPH allocated a minimum of \$1,685,000 (approximately 70 percent Federal, 15 percent State, and 5 percent General Fund monies) to pay for facility lease costs, excluding operating costs, for such providers in FY 1996-97.

Ms. Zmuda states that DPH believes that it will have no difficulty in finding AIDS/HIV service providers who will be willing to occupy the newly constructed space due to its planned ADA accessibility, the desirability of the location, and the current lack of affordable office space for such providers in the City. Attachment 1, provided by DPH, is a list of 24 AIDS/HIV contractors which DPH has identified as potential tenants for this building. However, Ms. Zmuda advises that DPH has not discussed the possibility of subletting space under the proposed lease with these contractors nor does DPH have any assurances that these contractors are not currently under long term lease commitments in other locations.

Description:

In January of 1995, The AIDS/HIV Life Center, a nonprofit community-based organization, entered into a 49-year ground lease of the proposed site for \$1.00 per year with the Trinity United Methodist Church, the owner of the land at 2299 Market Street, for the purpose of constructing a four story retail and office building of approximately 20,930 net rentable square feet. Use of the building is to be for health related purposes, with occupancy restricted to (a) AIDS/HIV service organizations, (b) a Walgreens pharmacy-only store, and (c) Trinity United Methodist Church. Mr. Steve Alms of the DRE advises that The AIDS/HIV Life Center has signed leases with Under One Roof, a AIDS/HIV retail and service provider, and Walgreens. Although construction has not yet begun, it is estimated that the building will be ready for occupancy in the Spring of 1999.

DPH proposes to lease approximately 15,021 square feet (approximately 72 percent) of the 20,930 square feet of rentable area of the building. Including common areas, access and support areas, DPH will occupy approximately 80 percent of the building. As noted above, DPH plans to use the space to provide AIDS/HIV related services. Although the exact use of the space has not yet been determined, it is planned that DPH would sublease all or a portion of its 15,021 square feet in the building to contractors which provide AIDS/HIV services. DPH advises that rent, operations and utilities costs for the proposed lease would be fully paid from Federal, State, and General Fund monies which it currently allocates to the provision of AIDS/HIV services.

Ms. Zmuda advises that, by entering into this lease, the City will support the building of a new AIDS/HIV community services center in the Castro District. Ms. Zmuda advises that, in order for the developer of the project

to secure financing for the construction of the building, the developer must demonstrate a continuing revenue stream which would be derived from the rental payments under the proposed lease.

Comments:

1. Mr. Alms reports that the proposed base rent of \$1.36 per square foot per month is based on the projected annual debt service costs for construction of the building over a ten-year period, not on the fair market rental value, and excludes all costs and expenses incurred by The AIDS/HIV Life Center related to The AIDS/HIV Life Center's ownership and operation of the building (See Comment No. 3). According to Mr. Alms, the base rent of \$1.36 per square foot per month, is currently approximately 10 percent above fair market rental value. However, Mr. Alms states that the base rental rate will not increase further over the initial 10 year term of the lease. Mr. Alms advises that the market has escalated dramatically in the past 12 months, and a continuation of this trend though the construction period and any additional market escalation over the 10 year term of the lease could raise the fair market rental value past the proposed base rent rate.

2. In addition to the base rent of \$245,160 per year, the City would pay 100 percent of its janitorial services, and 72 percent of all costs and expenses incurred by The AIDS/HIV Life Center related to The AIDS/HIV Life Center's ownership and operation of the building, known as operating costs. Such operating costs include: (1) air conditioning, electricity, steam, water, heating, mechanical, telephone, ventilation, escalator and elevator systems and all other utilities, including the costs of all repairs, labor and material costs pertaining to those systems; (2) general maintenance, cleaning and service contracts and the cost of all related supplies, tools and equipment; (3) all insurance required on the Building; (4) management fees; (5) depreciation of personal property, including carpeting and window coverings owned by The AIDS/HIV Life Center in common areas; (6) accounting and legal expenses; and (7) future capital improvements required by law.

According to Mr. Alms, under a typical lease, all operating costs are estimated by the lessor and included in a set rental rate stipulated in a lease with the tenant typically responsible for increases in operating expenses above the initial year of the lease. However, under the proposed lease, the City would be obligated to pay 72 percent of all operating costs incurred by The AIDS/HIV Life Center in addition to a base rent which is currently approximately 10

percent above fair market rental value, but would not increase further over the initial ten year term of the lease. Under the terms of the lease, the City will have the right to negotiate and ultimately arbitrate the level of services provided and the cost of operating expenses for the building. Mr. Alms notes that, since the building has not yet been constructed, building operating cost history is not available to assist in estimating actual operating costs.

Mr. Alms states that a consultant to The AIDS/HIV Life Center has estimated initial operating expenses for the proposed City-leased space at \$0.42 per square foot per month, or approximately \$75,600 annually. However, Mr. Alms reports that this estimate reflects the expectation that certain operating costs will be minimized through special arrangements as a result of the nonprofit status of The AIDS/HIV Life Center, and could otherwise be 10 to 30 percent higher, approximately \$7,560 to \$22,580 per year more than the consultant's estimate, or a total of \$83,160 to \$98,280 annually. Such special arrangements include in-kind service donations and operating services provided by volunteers, but there is no guarantee as to how successful The AIDS/HIV Life Center will be in obtaining these special arrangements over the term of the lease. Furthermore, Mr. Alms advises that, if the existing nonprofit lessor were to lose its nonprofit status or sell the building to a profit-making lessor, operating costs could rise.

3. Mr. Alms notes that when the City enters a lease for space in a building which contains multiple tenants, it may take advantage of lower utility rates available to City departments only if separately metered utilities are available. If separately metered utilities are not available, utility costs are paid by lessor and passed through in higher rental rates to the City. Under the proposed lease, the building's utilities would be separately metered which would allow DPH to obtain rates that are 75 to 80 percent below market rates. Mr. Alms estimates that the savings based on this rate would be approximately \$24,000 to \$26,000 annually.

4. Under the proposed lease, the base rent of \$1.36 per square foot per month shall not be increased during the lease term of approximately ten years. However, reductions to the base rent may be instituted by The AIDS/HIV Life Center, as a result of The AIDS/HIV Life Center's ability to retire its construction debt through fundraising. Under the proposed lease, The AIDS/HIV Life Center is required to make a good faith effort for the accelerated reduction of its

construction debt. According to Mr. Alms, any such monies The AIDS/HIV Life Center obtains shall reduce the \$1.36 per square foot per month base rent that the City pays, and eventually could reduce the base rent to zero when the construction debt is paid in full. Any such reductions would apply to the three 5-year option periods as well as the initial term of 10 years, for a total of 25 years. Ms. Zmuda advises that the DPH anticipates that The AIDS/HIV Life Center, through fundraising efforts, will pay off its construction debt prior to the June 30, 2009 expiration of the lease, and reduce the base rent paid by the City to zero with the City responsible for paying its utilities costs and 72 percent of The AIDS/HIV Life Center's operations costs only. However, as noted above, there is no guarantee to the City that the City's rent will be reduced during the potential 25 year term of the lease.

Under the terms of the proposed lease, the City has three options to renew for an additional five years each. In the event that, after the June 30, 2009 expiration date of the lease, The AIDS/HIV Life Center had not yet retired its construction debt and the City agrees to renew the lease, the City would pay a rental rate based on the lesser of The AIDS/HIV Life Center's remaining construction debt service, based on the reductions described above, or an amount not to exceed a maximum of 95 percent of the fair market value of the leased space. Such fair market value would be determined through agreement between The AIDS/HIV Life Center and the City, at the time of the exercise of the option. If The AIDS/HIV Life Center and City do not agree on the fair market value and an appraisal procedure specified in the lease does not result in a rental rate acceptable to the City, the City's Director of Property may revoke the execution of the extension option.

In the case that The AIDS/HIV Life Center had retired its construction debt, upon renewal of the lease, the base rent paid by the City would be zero, with the City responsible for paying its utilities and janitorial costs and 72 percent of The AIDS/HIV Life Center's operating costs only. However, as of the writing of this report, the Budget Analyst has not received a financing plan or a written financial analysis of the estimated annual debt service costs. Further, there is no guarantee to the City that The AIDS/HIV Life Center will be able to pay its construction debt and thereby reduce the base rent paid by the City to zero during the potential 25 year term of the lease.

5. As noted above, Trinity United Methodist Church is the owner of the land on which the building is to be constructed. Mr. Alms advises that one condition of the proposed lease is that a portion of DPH's space be shared with the Trinity United Methodist Church. This shared space would be a 2,000 square foot public meeting room and a 400 square foot conference room. The rooms would be available to Trinity United Methodist Church for weekend and evening church activities and services during specified hours. Mr. Alms reports that Trinity United Methodist Church will occupy the shared space approximately 25 percent of the time, with the space available for City use approximately 75 percent of the time. According to Mr. Alms, however, United Trinity Methodist Church will not pay a share of the building's operating costs for its usage of this space. Instead the City will be responsible for paying all operating costs related to this space (See Comment No. 3).

6. Mr. Alms advises that The AIDS/HIV Life Center has completed all building plans, and a permit to construct the building has been approved by the Department of Building Inspection. In addition to paying for the construction of the building shell and all core facilities (elevators, rest rooms, etc.), The AIDS/HIV Life Center will pay up to \$597,000, or approximately \$39.74 per square foot, based on 15,021 square feet, for the construction cost of tenant improvements as required by the City. The cost of any tenant improvements required by the City in excess of \$597,000 would be paid 100 percent by the City. According to Mr. Alms, such tenant improvements would include the installation of interior partition walls, carpeting, light fixtures, doors, electrical and mechanical hardware.

However, the Budget Analyst notes that one half of the \$597,000, or \$298,500, is to be comprised of funds to be allocated to The AIDS/HIV Life Center in a grant from the Mayor's Office of Community Development. Therefore the actual amount in tenant improvements to be paid for by The AIDS/HIV Life Center is \$298,500, or approximately \$19.97 per square foot, and not \$597,000. Therefore the City must pay for all tenant improvement costs in excess of \$298,500.

Ms. Zmuda reports that DPH and DRE have determined that \$39.74 per square foot, half of which is City-funded, would fully cover the required tenant improvements and Ms. Zmuda does not anticipate requiring tenant improvements in an amount which will exceed \$597,000.

BOARD OF SUPERVISORS
BUDGET ANALYST

Mr. Alms advises that DRE considers \$597,000 generous for the intended tenant improvements. However, Mr. Alms notes that because it has not yet been determined how the proposed space will be used, it can not be guaranteed that such an amount will cover the necessary tenant improvement costs.

The lease requires that tenant improvements will be completed based on plans and budgets approved by the City. However, Mr. Alms advises that, since no base building currently exists, it may be difficult to control and audit which costs represent the base building construction costs and which costs should be allocated to tenant improvements.

Furthermore, Mr. Alms advises that, if one or more of the nonprofit contractors occupying a portion of the space changes during the term of the lease, the City will bear 100 percent of the costs of any modification of the office space which might be required due to the new subletter(s). Ms. Zmuda states that, in order not to exceed \$597,000 in leasehold improvements, DPH would seek long term tenants for the space and minimize any modifications required during the term of the lease.

7. According to Mr. Alms, The AIDS/HIV Life Center has signed a lease with Walgreens and Under One Roof, a AIDS/HIV retail and service provider. Mr. Alms reports that Walgreens will occupy 2,999 square feet of the building, or approximately 14.3 percent, and pay a base rental rate of \$4.25 per square foot per month. According to Mr. Alms, Walgreens will pay all its own utilities and janitorial costs as well as \$10,000 per year for maintenance of the building's common areas. Mr. Alms advises that Under One Roof will occupy 2,390 square feet of the building, or approximately 11.4 percent, and lease under the same rental terms as the City including paying the same base rental rate of \$1.36 per square foot per month.

8. According to Mr. Alms, if the building is not built, the City would incur no financial risk by entering into the proposed lease. However, it is uncertain at this time as to how much this proposed lease will cost the City because (a) it is uncertain which providers of AIDS/HIV services will occupy the space and what expenditures the City will save by relocating such service providers, (b) the cost to the City of tenant improvements, (c) the amount of the actual operating costs, and (d) if The AIDS/HIV Life Center will be

able to obtain outside funds to assist in retiring its construction debt.

9. According to Mr. Alms, the AIDS/HIV Life Center has not yet been certified by the Human Rights Commission as being in compliance with the provisions of the Equal Benefits Ordinance. Mr. Alms advises that the AIDS/HIV Life Center will seek this certification prior to the commencement of the proposed lease.

10. The proposed lease includes a provision that requires the Lessor to cooperate, at no cost to the Lessor, with the implementation of Ordinance 31-96 (Bicycle Storage at City-owned and leased properties).

11. Mr. Alms advises that the DRE considers approval of the proposed lease to be a policy decision for the Board of Supervisors. Attachment 2 to this report is a memo from the DRE summarizing the Department's concerns surrounding this proposed lease.

12. In summary, by entering into the proposed lease, the City would support the development of a new community center in San Francisco to provide AIDS/HIV services. Furthermore, the proposed lease may result in cost savings to the City if the City receives base rent reductions as a result of The AIDS/HIV Life Center reducing or retiring its construction debt service, thereby allowing DPH to reallocate such monies and provide expanded services to the AIDS/HIV community, according to Ms. Zmuda. However, the following areas of concern and risk may be assumed by the City if this proposed lease is approved:

- The exact use of the space has not yet been determined and the AIDS/HIV service providers who would sublease from DPH have not yet been identified.
- The base rental rate of \$1.36 per square foot is based upon debt service to construct the building and not on fair market value. The base rent of \$1.36 per square foot per month, is ten percent higher than the current fair market rental value.
- In addition to the base rent of \$245,160 per year and paying 100 percent of its janitorial services, the City would pay 72 percent of all costs and expenses incurred by The AIDS/HIV Life Center related to The AIDS/HIV Life Center's ownership and operation of the building, known as operating costs. Such operating costs to the City have been estimated at between \$75,600 to 98,280

per year. The City would have limited control over such costs, but the amount of operating costs and what they would be over the potential 25 year term of the lease is unknown at this time.

- DPH anticipates that The AIDS/HIV Life Center, through fundraising efforts, will pay off its construction debt prior to the June 30, 2009 expiration of the lease, and reduce the base rent paid by the City to zero with the City responsible for paying its prorata share of operating and utilities costs only. However, there is no guarantee to the City that its rent will be reduced during the potential 25 year term of this proposed lease.
- The AIDS/HIV Life Center has agreed to pay \$597,000, or \$39.74 per square foot, for tenant improvements required by the City. However, half of the \$597,000 is from Federal Community Development Grant monies which the City would allocate to The AIDS/HIV Life Center. Therefore The AIDS/HIV Life Center is actually paying only \$298,500, or \$19.87 per square foot for tenant improvements.
- The cost of any tenant improvements in excess of \$298,500, would be paid 100 percent by the City. Although DPH and DRE state that the amount allocated toward tenant improvements should be adequate, the actual cost of City-required tenant improvements, and the amount of costs which the City would incur over the term of the proposed lease for such improvements, is unknown at this time due to: (a) the uncertainty over how the space will be used and which nonprofit contractors will occupy the space, (b) the possibility of sublease changes during the term of the lease requiring additional tenant improvements, and (c) since no base building currently exists, it may be difficult to control and audit which costs represent the base building construction costs and which costs should be allocated to tenant improvements.
- As of the writing of this report, the Budget Analyst has not been provided with a financing plan or a written analysis of the estimated annual debt service costs for the construction of the building.

Recommendations: 1. Amend the proposed resolution to make approval contingent upon certification by the Human Rights Commission that the AIDS/HIV Life Center is in compliance with the provisions of the Equal Benefits Ordinance.

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Finance Committee
October 22, 1997 Finance Committee Meeting

2. The proposed resolution, as amended, is a policy matter for the Board of Supervisors.

BOARD OF SUPERVISORS
BUDGET ANALYST

LIST OF POTENTIAL LIFE CENTER TENANTS

1. Acupuncture & Recovery Treatment Service
2. AIDS Benefit Counselors
3. AIDS Emergency Fund
4. AIDS Legal Referral panel of the San Francisco Bay Area
5. American College of Traditional Chinese Medicine
6. Bay Area Young Positives Inc.
7. Black Coalition on AIDS
8. California AIDS Intervention Training Center
9. Community United Against Violence
10. Filipino Task Force on AIDS
11. GAPA Community HIV Project/ A.P.I. Wellness Center
12. Home Care Companions Inc.
13. Immune Enhancement Project
14. Institute for Traditional Medicine-IEP
15. Quan Yin Healing Arts Center
16. San Francisco AIDS Foundation
17. Lavender Youth Recreation & Info. Center
18. Maitri AIDS Hospice
19. Men Overcoming Violence
20. National Task Force on AIDS Prevention
21. New Leaf Services for our Community
22. San Francisco HIV Prevention Project
23. Shanti Project
24. STOP AIDS Project Inc.



MEMORANDUM

July 28, 1997

TO: Dr. Mitch Katz
Acting Director
Department of Public Health

TO: Monique Zmuda
Chief Financial Officer
Department of Public Health

FROM: Steve Alms
554-9865

SUBJECT: 2299 Market Street Lease
The AIDS/HIV Life Center

Enclosed are drafts of the resolution and cover letter prepared for delivery to the Board of Supervisors. Please review and comment. Your particular assistance is needed in completing an accurate reflection of City's existing policy in support of the project. I have also enclosed a summary of the space in the building which shows the area proposed for City occupancy with corresponding floor plans.

As we have discussed, this lease differs in many regards from that normally entered by City. The manner in which it differs is briefly summarized for your information and consideration as follows:

- The rent was determined based on the cost to service debt needed to construct the building. It does not reflect market rates.
- The lease is absolutely net. City will pay its prorata share of any and all operating expenses. There is no building history available to determine actual costs.
- The building is proposed for construction. With current resources it is impossible to completely control the quality of the finished product.

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- While City has previously entered into leases with an allowance for tenant improvements, the base building ordinarily exists, and it is easier to control and audit the manner in which the allowance is used.
- Construction costs could escalate during construction of the base building, reducing the value of the allowance.
- The space will not be used by City staff. There is less certainty that the allowance is sufficient to construct the needed improvements since neither the occupants nor the improvements have not been identified.
- If occupancy changes during the term of the lease, City (or the contractor) will bear the cost of any modification to the premises which might be required.
- City will pay the cost to maintain the "community room" and "tower room" which will be used by Trinity United Methodist Church approximately 25% of the time.
- The community and tower rooms account for more than 3,000 square feet (20% of the premises) which cannot be assigned to a contractor.

This list is not exhaustive, but is a reasonable summary of significant economic factors and elements of risk. Please contact me at 554-9865 if you would like to discuss any of the above in greater detail or if you have other questions regarding this matter.

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TOTAL P.03

Item 6 - File 82-97-3

Departments: Real Estate Department
Airport Commission

Item: Authorizing the granting of quitclaim deeds to rescind noise easements previously acquired from various property owners.

Description: The San Francisco International Airport's Home Insulation Master Plan Mitigation Program consists of insulating private residences in five cities, including the Cities of Daly City, the City of Pacifica, the City of San Bruno, the City of South San Francisco and the City of Millbrae. These cities signed the 1992 Airport's Master Plan Memorandum of Understanding (MOU) which implements the noise mitigation element of the Airport's Master Plan.

The Airport's Home Insulation Master Plan Mitigation Program has three purposes: (1) it allows cities that have signed the MOU to receive Airport funds to insulate private residences; and (2) it enables the Airport to comply with State legal requirements; and (3) it should result in eliminating costs to defend against noise-related small claims lawsuits.

According to Mr. Marcus Perro, Assistant Deputy Airport Director, the Airport has committed up to \$120,000,000 through the year 2000 to provide the cities that have signed the MOU with funds to insulate private residences from aircraft noise. The Airport expects to fund the entire amount of \$120,000,000 through (1) Federal grant monies that the cities receive from the Federal Aviation Administration (FAA) for the purpose of reimbursing the Airport (80 percent of the \$120 million or \$96 million) and (2) FAA grant funds provided directly to the Airport (20 percent of \$120 million or \$24 million). However, Mr. Perro advises that in the event that such FAA funds are unavailable, the Airport will be responsible for the cost of the Airport's Home Insulation Master Plan Mitigation Program.

According to Mr. Robert Haslam, Senior Real Property Officer of the Real Estate Department, to date, the Airport has acquired approximately 6,300 noise easements from private residences located in the five cities cited above.

According to Mr. Haslam, there are 51 property owners who had previously granted easements to the Airport and now wish to withdraw from the program. Information regarding

the names and parcel numbers is available from the Department of Real Estate.

Comments:

1. Mr. Perro advises that this proposed resolution has no fiscal impact because no funds have been expended for, or on behalf of, the property owners who now wish to withdraw from the program. These property owners have not had their property insulated nor has the Airport transferred any funds to the participating cities on behalf of these property owners.

2. Deputy City Attorney Adrienne Go advises that the rescissions would create no new legal exposure for the Airport Commission. Ms. Go states that the Airport Commission has no reason to believe that the property owners are contemplating legal action once they have been restored to their prior position. She further states that the probable reason for the property owners wishing to withdraw from the Home Insulation Master Plan Mitigation Program is due to changes in the property owners' situations, such as property ownership changes due to marital dissolutions, inheritance and other similar circumstances.

3. Ms. Go states that the granting of these rescissions would not place the Airport Commission in non-compliance with State regulations. The Airport Commission is in full compliance with State regulations that require it to have a program in place to offer property owners relief from noise infringements. However, the program is participatory and the proposed rescissions do not violate any State regulations, according to Ms. Go.

4. Mr. Haslam advises that to date approximately 6,300 easements have been acquired by the Airport. The proposed resolution for the rescission of 51 easements represents .8%, or less than 1%, of the total easements acquired to date.

5. The City Attorney's Office has previously reported that the purchase of noise easements enables the City to comply with State legal requirements and should result in eliminating costs to defend against noise-related small claims lawsuits.

Recommendation: Approve the proposed resolution.

Item 7 - File 64-96-7.1

Department: Real Estate Department
Department of Human Services (DHS)

Item: Resolution authorizing an amendment to an existing lease of property at 30 Van Ness Avenue for the Department of Human Services.

Location: 30 Van Ness Avenue

Purpose of Lease: Office space for the Greater Avenues to Independence (GAIN) Success Center Program

Lessor: Herbst Foundation

Lessee: City and County of San Francisco

No. of Sq. Ft. and Cost Per Month: DHS has an existing lease at 30 Van Ness Avenue consisting of 1,822 square feet at \$1.25 per square foot per month, for a total of \$2,277.50 per month. The proposed lease amendment would provide an additional 3,058 square feet at approximately \$1.396 per square foot per month, for an additional rental cost of approximately \$4,268.46 per month.

Additional Annual Cost: \$51,221.50 per year from date of completion of tenant improvements to November 30, 2000, based on proposed additional space; \$54,410 per year from December 1, 2000 to November 30, 2004, based on proposed rent increases (see Comment 1).

Term of Lease: The existing lease expires November 30, 2000. The proposed lease amendment would extend the lease by four years to November 30, 2004.

Utilities and Janitorial Services: The lessor would provide all utilities and janitorial services. However, the City would be responsible for paying a pro-rata share of increases in the lessor's operating expenses, utilities and common area maintenance costs, over the base year of January 1, 1998 to December 31, 1998. In addition, the City will pay \$550 per month to fund the costs of additional labor and supplies to keep bathrooms on the first and

BOARD OF SUPERVISORS
BUDGET ANALYST

second floors stocked and clean due to the high volume of usage (see Attachment I).

Right of Renewal: None

Source of Funds: GAIN Program Funding included in the Fiscal Year 1997-98 budget, which consists of approximately 58% in Federal funds, 35% in State funds, and 7% from the General Fund.

Description: In February of 1996, DHS started the Greater Avenues to Independence (GAIN) Success Center Program. GAIN is a State program that provides welfare recipients with employment training opportunities, training in job search skills, and assistance with job placement. The GAIN Success Center program was first implemented during FY 1995-96. The objective of the program is to enhance self-sufficiency among GAIN clients by teaching them job search and interviewing skills.

DHS currently has the following two existing leases at 30 Van Ness for the GAIN Success Center program: (1) a lease for 4,584 square feet on the second floor at a rate of \$1.25 per square foot per month (see Item 8, File 64-97-14 of this report to the Finance Committee); and (2) a lease for 1,822 square feet on the second floor at a rate of \$1.25 per square foot per month. Together, the two leases result in a total of 6,406 square feet currently utilized by DHS for four classrooms, a telephone bank, and staff space for the GAIN Success Center.

The proposed resolution would authorize an amendment to the second existing lease discussed above in order to provide an additional 3,058 square feet of space on the first floor of 30 Van Ness Avenue for a computer lab for the DHS GAIN Success Center, effective upon substantial completion of tenant improvements (expected to be approximately November 1, 1997). The lease rate for this additional space is approximately \$1.396 per square foot per month for a monthly rate of approximately \$4,268.46, or \$51,221.50 annually. The need for this additional space is discussed in Attachment II, provided by Ms. Rose Chow of DHS.

The proposed lease amendment would also: (1) extend the term of the lease by four years from

November 30, 2000 to November 30, 2004; and (2) establish a rent increase on the existing 1,822 square feet to take effect starting December 1, 2000. In other words, the lease rate on the existing 1,822 square feet (\$1.25 per square foot per month) will increase on December 1, 2000 to match the proposed starting lease rate for the additional 3,058 square feet (approximately \$1.396 per square foot per month, see Comment 4).

Prior to commencement of the proposed lease, the landlord would be required to complete leasehold improvements valued at \$137,554.17, of which the DHS would pay \$45,814.17, or approximately 33 percent. As discussed in Attachment I, provided by Mr. Steve Hoppe of the Department of Real Estate, this is a typical arrangement when the City would prefer to keep the rent lower over the term of the lease. Funds for the leasehold improvements as well as funds for the rental payments are available in GAIN Program funding, included in the DHS FY 1997-98 budget.

Comments:

1. If the subject proposed lease amendment is approved, the total annual cost of the subject lease would increase by \$51,221.50, from \$27,330 to \$78,551.50, as a result of the additional space to be leased. This total annual cost would subsequently increase by another \$3,188.50, from \$78,551.50 to \$81,740 starting December 1, 2000 when the lease rate on the currently leased space of 1,822 square feet would increase by \$0.146 per square foot per month (from \$1.25 to approximately \$1.396 per square foot per month).

2. As stated above, Item 8, File 64-97-14, in this report to the Finance Committee, is a proposed resolution to amend the other lease held at 30 Van Ness Avenue for the DHS GAIN Success Center Program. That lease, which consists of 4,584 square feet, would provide the same term and lease adjustments as are provided under the subject proposed lease amendment. If both items are approved: (a) the DHS Success Center program would occupy a total of 9,464 square feet at 30 Van Ness; and (b) as of December 1, 2000, the DHS GAIN Success Center program would pay a uniform lease rate of approximately \$1.396 per square foot per month on all leased space at 30 Van Ness.

3. The following table outlines the space provided by these two leases:

<u>Lease</u>	<u>Existing Sq. Feet</u>	<u>Additional Sq. Feet</u>	<u>Total Sq. Feet</u>
Item 8, File 64-97-14	4,584	0	4,584
Item 7, File 64-96-7.1	<u>1,822</u>	<u>3,058*</u>	<u>4,880</u>
GRAND TOTALS	6,406	3,058	9,464

* Subject of this request.

4. According to Mr. Hoppe, the proposed \$1.396 per square foot per month lease rate on the 3,058 square feet of new space represents fair market value. Mr. Hoppe further advises that the \$0.146 per square foot per month rate increase on the existing leased space for 1,822 square feet, from \$1.25 to \$1.396 per square foot per month, effective December 1, 2000 represents a reasonable increase given current fair market rates.

5. Mr. Hoppe advises that as with the other City leases at 30 Van Ness, the proposed lease provides the Landlord with the right of termination to demolish the entire building, after November 1, 2001 (approximately 4 years), with 365-day advanced notice and payment to the City of moving costs.

6. According to the Purchasing Department, the Herbst Foundation has been certified by the Human Rights Commission as being in compliance with the Equal Benefits Ordinance.

7. Mr. Hoppe advises that the lessor, Herbst Foundation, is in compliance with the City's Bicycle Parking Ordinance.

Recommendation: Approve the proposed resolution.

City and County of San Francisco

Real Estate Department

Office of the
Director of Property

Memorandum

To: Mary Kimball

Through: Harry Quinn *HQ*
Assistant Director of Property

From: Steve Hoppe *SH*
Real Property Officer

Date: October 9, 1997

Subject: Lease amendments for 30 Van Ness Avenue

The current lease for 4,584 rentable square feet (Lease #1) has a termination date of November 30, 2000. The proposed amendment would extend this lease to November 30, 2004. The rent would increase from the present \$15 per foot to \$16.75 per foot during the extension. There are no other changes to this lease.

The current lease for 1,822 rentable square feet (Lease # 2) has a termination date of November 30, 2000, also. The proposed amendment would extend this lease to November 30, 2004. The rent would increase from the present \$15 per foot to \$16.75 per foot during the extension. This lease is also being modified to add an additional 3,058 rentable square feet. The effective date for adding the additional space would be when the tenant improvements are finished. The termination date for the additional space would be the same as the new termination date for the original lease, November 30, 2004. The rent for the additional space would be \$16.75 for the entire period from the completion of tenant improvements to the termination of the lease in 2004.

The City will also pay a portion of the cost of the tenant improvements in the additional space. This is a typical arrangement when the City would prefer to keep the rent lower over the term.

Due to the large numbers of clients visiting the site for several hours each day, the City will also pay the cost of increased labor and supplies required to keep the restrooms and common areas clean. There are approximately two hundred clients using the facility for several hours a day in what is basically an office space that would normally be occupied by only 35 or 40 people.

Sh:h:\4923\memo to Mary Kimball in Controller's office.doc

October 8, 1997

To: Mary Kimball
Budget Analyst Office

From: Rose Chow *Russon*
Department of Human Services

Subject: 30 Van Ness expansion

We currently are leasing 6400 sf of space on the 2nd floor of 30 Van Ness in which our GAIN "Express to Success" Center is located. Here, our welfare clients are taught job search skills that enables them to be self sufficient in finding a job rather than depending on the welfare cash assistance. This is a philosophical shift from welfare to employment focus. The participatory model help participants recognize the tools to help themselves and avoid patterns of dependency.

The Center has 3 formal classrooms and a more loosely structured network center where clients can bring back experiences, share job leads, share success stories and basically bond.

We now wish to expand this center to include a computer lab. This lab will include software packages used for skills assessment and diagnosis, skills development, employment assistance, and it will also allow the opportunity for hands on computer training. The computer lab will be available for welfare clients on a walk-in basis to use in job search and self directed career assessments, and will be located on the ground floor with easy street access. An existing stairway connecting the GAIN space upstairs will be opened up as well as an entrance to the main elevator lobby.

We plan to hire a trainer, receptionist and a technical assistant for the operation of the computer lab.

I hope this is sufficient. Let me know if you need more information.

Item 8 - File 64-97-14

Department: Real Estate Department
Department of Human Services (DHS)

Item: Resolution authorizing an amendment to an existing lease of property at 30 Van Ness Avenue for the Department of Human Services.

Location: 30 Van Ness Avenue

Purpose of Lease: Office space for the Greater Avenues to Independence (GAIN) Success Center Program

Lessor: Herbst Foundation

Lessee: City and County of San Francisco

No. of Sq. Ft. and Cost Per Month: 4,584 square feet at \$1.25 per square foot per month, for a total of \$5,730 per month. As of December 1, 2000, the rental rate increases to approximately \$1.396 per square foot per month, for a total of \$6,398.50 per month.

Annual Rental Cost: \$68,760 (which represents no increase from the existing lease rate) until December 1, 2000, when the annual rental cost will increase to \$76,782.

Increase Over Prior Lease: This lease became effective in February of 1996. The proposed lease amendment would establish a rent increase to take effect starting December 1, 2000, when the rental rate would increase by \$0.146, from \$1.25 per square foot per month to approximately \$1.396 per square foot per month. The proposed amendment would therefore result in an increase in the annual rental rate of \$8,022, from \$68,760 to \$76,782, or an 11.7 percent increase.

Term of Lease: The existing lease expires November 30, 2000. The proposed lease amendment would extend the lease for four years to November 30, 2004.

Utilities and Janitorial Services: The lessor would provide all utilities and janitorial services. However, the City would be responsible for paying a pro-rata share of increases in the lessor's

BOARD OF SUPERVISORS
BUDGET ANALYST

operating expenses, utilities and common area maintenance costs, over the base year of January 1, 1998 to December 31, 1998.

Right of Renewal: None

Source of Funds: GAIN Program Funding included in the Fiscal Year 1997-98 budget, which consists of approximately 58% in Federal funds, 35% in State funds, and 7% from the General Fund.

Description: In February of 1996, DHS started the Greater Avenues to Independence (GAIN) Success Center Program. GAIN is a State program that provides welfare recipients with employment training opportunities, training in job search skills, and assistance with job placement. The GAIN Success Center Program was first implemented during FY 1995-96. The objective of the program is to enhance self-sufficiency among GAIN clients by teaching them job search and interviewing skills.

DHS currently has the following two existing leases at 30 Van Ness for the GAIN Success Center program: (1) a lease for 4,584 square feet on the second floor at a rate of \$1.25 per square foot per month; and (2) a lease for 1,822 square feet on the second floor at a rate of \$1.25 per square foot per month (see Item 7, File 64-96-7.1 of this report to the Finance Committee). Together, the two existing leases result in a total of 6,406 square feet currently utilized by DHS for four classrooms, a telephone bank, and staff space for the GAIN Success Center Program.

The proposed resolution would authorize an amendment to the first existing lease discussed above in order to (1) extend the term of the lease by four years from November 30, 2000 to November 30, 2004; and (2) establish a rate increase starting December 1, 2000. The rent increase would take effect starting December 1, 2000, when the rate would increase by \$0.146, from \$1.25 per square foot per month to approximately \$1.396 per square foot per month. The proposed amendment would therefore result in an annual increase of \$8,022, from \$68,760 to \$76,782, or an 11.7 percent increase, starting December 1, 2000.

Comments:

1. As noted above, the Finance Committee is considering Item 7, File 64-96-7.1, a proposed resolution to extend and expand the other lease held at 30 Van Ness Avenue by the DHS GAIN Success Center Program. That lease would provide the same term and lease adjustments as are provided under the subject proposed lease amendment. If both items are approved: (a) the DHS Success Center would occupy a total of 9,464 square feet at 30 Van Ness; and (b) as of December 1, 2000, the DHS GAIN Success Center would pay a uniform lease rate of approximately \$1.396 per square foot per month on all leased space at 30 Van Ness.

2. The following table outlines the space provided by these two leases:

<u>Lease</u>	<u>Existing Sq. Feet</u>	<u>Additional Sq. Feet</u>	<u>Total Sq. Feet</u>
Item 8, File 64-97-14	4,584*	0	4,584
Item 7, File 64-96-7.1	<u>1,822</u>	<u>3,058</u>	<u>4,880</u>
GRAND TOTALS	6,406	3,058	9,464

* the subject of this request

3. According to Mr. Steve Hoppe of the Department of Real Estate, the proposed subject \$0.146 per square foot per month rate increase on the existing leased space, from \$1.25 to \$1.396 per square foot per month, effective December 1, 2000 represents a reasonable increase given current fair market rates.

4. Mr. Hoppe advises that as with the other City leases at 30 Van Ness, the proposed lease provides the Landlord with the right of termination to demolish the entire building, after November 1, 2001 (approximately 4 years), with 365-day advanced notice and payment to the City for moving costs.

5. According to the Purchasing Department, the Herbst Foundation has been certified by the Human Rights Commission as being in compliance with the Equal Benefits Ordinance.

6. Mr. Hoppe advises that the lessor, Herbst Foundation, is in compliance with the City's Bicycle Parking Ordinance.

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Finance Committee
October 22, 1997 Finance Committee Meeting

Recommendation: Approve the proposed resolution.

Items 9 and 10 - Files 101-95-45.2 and 101-96-12.2

Departments: Fire Department
Department of Public Works

Items: Item 9, File 101-95-45.2: Hearing to consider the release of reserved funds from 1992 Fire Protection Bond interest earnings, in the amount of \$75,000, for the upgrade and renovation of Fire Station No. 10.

Item 10, File 101-96-12.2: Hearing to consider the release of reserved funds from 1992 Fire Protection Bond proceeds, in the amount of 300,000, for the upgrade and renovation of Fire Station No. 10.

Amount:	Item 9, File 101-95-45.2	\$75,000
	Item 10, File 101-96-12.2	<u>300,000</u>
	Total	\$375,000

Source of Funds: Release of reserves from previously appropriated 1992 Fire Protection Bond Fund and Interest Earnings monies.

Description: File 101-95-45.2

In March of 1996, the Board of Supervisors approved an ordinance appropriating \$1,600,000 of 1992 Fire Protection Bond interest earnings for ten capital improvement projects for the Fire Department, including the upgrade and renovation of Fire Station No. 10, located at 655 Presidio (File 101-95-45). Because the Department of Public Works (DPW) had not selected contractors to perform the construction work for four Fire Stations (Fire Station Nos. 10, 25, 26, and 42), the Board of Supervisors reserved a total of \$558,000 pending DPW's selection of contractors, submission of the MBE/WBE status of the contractors, and contract cost details. Of that amount \$105,000 was previously released leaving a balance of \$453,000 on reserve (File 101-95-45.1). The proposed request would authorize the release of \$75,000 for costs related to the renovation of Fire Station No. 10, with \$378,000 remaining on reserve, if this request is approved.

According to Mr. Peter Wong of DPW's Bureau of Architecture, construction work to be performed for the renovation of Fire Station No. 10 consists of general remodeling, creating separate shower and restroom facilities

for female firefighters, mechanical and electrical systems upgrades, asbestos abatement, and disability access improvements in public areas in accordance with the Americans with Disabilities Act.

File 101-96-12.2

In November of 1996, the Board of Supervisors approved an ordinance appropriating \$14,233,588 from 1992 Fire Protection Bond funds for architectural and engineering services and construction costs in connection with the renovation of 20 Fire Department facilities, including the upgrade and renovation of Fire Station No. 10 (File 101-96-12). Because DPW had not selected contractors to perform the renovation work for 17 of the 20 Fire Department facilities, the Board reserved a total of \$7,864,100 pending DPW's selection of contractors, submission of the MBE/WBE status of the contractors, and contract cost details. In July of 1997, the Finance Committee released \$256,000 for the renovation of Fire Station No. 42 (File 101-96-12.1), leaving \$7,608,100 on reserve. The proposed request would authorize the release of \$300,000 for the renovation of Fire Station No. 10, leaving \$7,308,100 on reserve.

Budget: \$768,380 for construction contract (see Attachment).

The construction contract for these renovations of Fire Station No. 10 totals \$768,380 and was awarded to C. M. Chiang Construction, Inc., an MBE firm which submitted the second lowest bid. Mr. Wong advises that the firm with the lowest bid, P & A Construction, in an amount of \$759,500, was considered non-responsive because they did not meet MBE and WBE subcontractor participation goals set by the Human Rights Commission pursuant to Section 12D.9 of the Administrative Code.

The proposed request for release of reserved funds of \$375,000 for the renovation work of Fire Station No. 10 would still require an additional \$393,380 (total construction contract amount of \$768,380 less the requested release of \$375,000 on reserve), which will be funded from previously appropriated monies (see Comment No. 1). A list of the scope of work to be performed by C. M. Chiang Construction, Inc. and by each subcontractor is shown in the Attachment, provided by Mr. Wong. Also, as shown in the Attachment, MBE subcontractors to C. M. Chiang Construction, Inc. are allocated a total of \$330,700 or 43.04%, of the total contract amount of \$768,380, and WBE subcontractors are allocated a total of \$79,180, or 10.30%, of the total contract amount. In

addition, the prime contractor, C. M. Chiang Construction, Inc., which is an MBE firm, is allocated a total of \$358,500, or 46.66%, of the total contract amount.

Comments:

1. As noted above, the proposed request for release of reserved funds of \$375,000 for the renovation work is \$393,380 less than the total construction contract of \$768,380. The source of the additional \$393,380 would be funded from previously appropriated 1992 Fire Protection Bond monies, according to Mr. Wong.

2. According to Cynthia Goldstein of the Human Rights Commission, C. M. Chiang Construction, Inc. is in compliance with the Equal Benefits Ordinance.

Recommendation: Approve the proposed release of reserves.

Job No.: 5464A
 SFFD STATION 10 RENOVATION
 CONSTRUCTION CONTRACT COST BREAKDOWN

Prime Contractor MBE (46.66% of Base Bid)

Chaing C. M. Construction. Inc., General Contractor	358,500
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Base Bid Construction Contract

Subcontractors MBE (43.04% of Base Bid))

D & S Associates (Plumbing)	38,800	
O'Keeffe Mechanical (Mech.)	194,000	
W. L. Electrical (Elec.)	68,000	
Ballardo Acoustics (Acoustic Ceiling)	2,900	
Magic Painting Co.(Painting)	<u>27,000</u>	
		330,700

Subcontractors WBE (10.30% of Base Bid))

OWA Steel Inc. (Metal)	5,480	
Theisen Glass (Glass)	6,900	
Vargas & Esquivel Co.Inc.(AC paving)	33,300	
City Lumber (Carpentry)	<u>33,500</u>	
		\$79,180

Total base bid construction contract:

\$768,380

Funding Source:

1. 3rd Bond Sale Appropriation - Construction Reserve	300,000	
2. Bond Interest Earning Appropriation - Construction Reserve	75,000	
3. Available/Approved Fund	<u>393,380</u>	
Total:	<u>\$768,380</u>	
		Total Request \$375,000

Item 11 - File 28-97-8

Department: Public Utilities Commission (PUC)

Item: Resolution authorizing the expenditure of funds for the design and construction of a replacement well and pump station to supply potable water to the Castlewood reservoir.

Amount: \$650,000

Source of Funds: Previously appropriated capital improvement funds

Description: The proposed resolution would authorize the expenditure of \$650,000 to replace an existing well and pump station on City-owned land in Pleasanton in Alameda County that supplies potable water to Castlewood, a residential community and country club near Pleasanton. According to Ms. Lota de Castro of the Public Utilities Commission (PUC), the City has been legally obligated to provide Castlewood with 3,000,000 gallons of potable water per day under an agreement between the City and Castlewood. The agreement, in effect since 1911, was signed at the time by Phoebe A. Hearst, the original owner of the property, and the Spring Valley Water Company, the predecessor to the San Francisco Water Department. That agreement permitted the City to drill wells into the local aquifer, a natural underground water supply in the vicinity of Castlewood, to augment the supply of water to San Francisco residents. Because the City's wells affected the ability of other local water users to draw water from the same aquifer, the City agreed to supply potable water to the area that is now known as Castlewood.

Ms. de Castro reports that only one well is still functioning out of the four wells that the PUC previously used to supply water to the Castlewood reservoir. According to Ms. de Castro, the sole working well could fail at any time because it is 73 years old, in poor condition and cannot be adequately refurbished. Ms. de Castro further states that this one remaining well supplies approximately 1,000,000 gallons of potable water per day, or one third of the amount of water required under the City's agreement. Recently, Castlewood informed the PUC that it will seek to obtain the full allotment of water

BOARD OF SUPERVISORS
BUDGET ANALYST

that the City is required to provide to Castlewood although Castlewood had not objected to the amount of 1,000,000 gallons daily being provided in the past. Ms. de Castro reports that the replacement well and pump station would provide the required 3,000,000 gallons daily.

According to Ms. de Castro, should the one operable well fail, Castlewood would be without a source of water for domestic uses, irrigation or fighting fires, which constitutes an immediate risk to the public health and welfare of the population dependent on the Castlewood water supply. Therefore, in accordance with Section 6.32 of the Administrative Code, the PUC declared an emergency on September 3, 1997 and initiated expedited contracting procedures to retain contractors to design and construct a replacement well and pump station at Castlewood.

On September 23, 1997, the PUC approved the transfer of previously appropriated capital improvement funds totaling \$650,000 from Project CUW134-02, Sunol Fast Track, to Project CUW626-01, Replace Castlewood Reservoir, in order to make funds available for the design and construction of an emergency replacement well and pump station. Ms. de Castro reports that the Sunol Fast Track project is an effort to improve PUC water and administration facilities owned by the City in Sunol in Alameda County and that sufficient funds to complete the Sunol Fast Track project will be requested in the PUC's FY 1998-99 budget.

Ms. de Castro reports that on September 3, 1997, the PUC retained Luhdorff and Scalmanini Consulting Engineers for an estimated \$125,000 to design the replacement well and pump station. According to Ms. de Castro, the PUC entered into sole source negotiations for the design contract with Luhdorff and Scalmanini because of the emergency declaration and because of the firm's expertise and knowledge of the local geology. Luhdorff and Scalmanini has contracts, similar to the proposed contract, with the Zone 7 Water Agency of Alameda County. Ms. de Castro reports that Luhdorff and Scalmanini Consulting Engineers is not an MBE or WBE firm.

According to Ms. de Castro, in addition to the estimated \$125,000 design contract, the PUC plans to award two construction contracts on an expedited basis to complete work on the Castlewood well and pump station. One contract would be awarded to drill the well and the other contract would be awarded to construct the pump station. The PUC estimates that the cost of these two contracts will total \$525,000. Ms. de Castro states that the estimated \$650,000 total need to replace the Castlewood well and pump station, including \$125,000 for design work and \$525,000 for construction work, is based on the PUC's analysis of the design and construction costs of comparable work in the same area.

Comments:

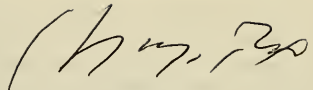
1. Ms. de Castro reports that design work to replace the Castlewood well and pump station by Luhdorff and Scalmanini began September 3, 1997. Therefore, the proposed resolution should be amended to provide retroactive authority to expend funds. Ms. de Castro estimates that the design work for the well should be completed by approximately October 24, 1997 and design work for the pump station should be completed by approximately November 30, 1997. Ms. de Castro estimates that construction work to replace the well should begin approximately November 10, 1997 and that construction work to replace the pump station should begin approximately December 15, 1997. Ms. de Castro estimates construction work on both the well and pump station should be completed by approximately January 31, 1998.

2. According to Ms. Cynthia Goldstein of the Human Rights Commission (HRC), Luhdorff and Scalmanini Consulting Engineers was granted a waiver by the HRC to the requirements of the Equal Benefits Ordinance on September 24, 1997, based on the PUC's emergency declaration.

Recommendations:

1. In accordance with Comment No. 1 above, amend the proposed resolution to provide retroactive authority to expend funds.
2. Approve the proposed resolution as amended.

BOARD OF SUPERVISORS
BUDGET ANALYST



Harvey M. Rose

cc: Supervisor Leal
President Kaufman
Supervisor Brown
Supervisor Ammiano
Supervisor Bierman
Supervisor Katz
Supervisor Medina
Supervisor Newsom
Supervisor Teng
Supervisor Yaki
Supervisor Yee
Clerk of the Board
Controller
Matthew Hymel
Stephen Kawa
Ted Lakey

CALENDAR

Finance Committee Board of Supervisors City and County of San Francisco

DOCUMENTS DEPT.

OCT 30 1997

SAN FRANCISCO
PUBLIC LIBRARY

REGULAR MEETING

WEDNESDAY, OCTOBER 29, 1997, 1:00 P.M.

VETERANS BUILDING
401 VAN NESS AVENUE, ROOM 410
SAN FRANCISCO, CA 94102

MEMBERS: Supervisors Susan Leal, Barbara Kaufman, Amos Brown

CLERK: Rosemary Little-Horanzky

Disability Access



Both the Committee Room (Room 410) and the Chamber (Room 404) are wheelchair accessible. The closest accessible BART Station is Civic Center, four blocks from the Veterans Building. Accessible MUNI lines serving this location are: #42 Downtown Loop and the #71 Haight/Noriega and the F line to Market and Van Ness and the METRO stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call 923-6142.



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- ❖ For American sign language interpreters or the use of a reader during a meeting, contact Violeta Mosuela at (415) 554-7704.
- ❖ For a large print copy of an agenda, contact Moe Vazquez at (415) 554-4909.

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Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. The Sunshine Ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force at 554-4851.

FINANCE COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

REGULAR MEETING

WEDNESDAY, OCTOBER 29, 1997 - 1:00 P.M.

VETERANS BUILDING
401 VAN NESS AVENUE
ROOM 410

MEMBERS: SUPERVISORS SUSAN LEAL, BARBARA KAUFMAN, AMOS BROWN

CLERK: ROSEMARY LITTLE-HORANZY

1. File 195-97-1. [Jail Overcrowding Fine Account] Resolution authorizing the Sheriff to use the amount remaining in the Jail Overcrowding Fine Account for the purpose of reducing the jail population. (Supervisor Kaufman)
(Continued from 10/22/97.)

ACTION:

2. File 97-97-56. [Affordable Housing Bond Program] Ordinance amending Administrative Code by adding Chapter 81 to describe the Affordable Housing and Homeownership Bond Program; companion measure to File 97-97-56.1. (Supervisor Brown)

ACTION:

3. File 97-97-56.1. [Affordable Housing Bond Program Regulations] Resolution approving regulations for the Affordable Housing and Homeownership Bond Program; companion measure to File 97-97-56. (Supervisor Brown)

ACTION:

4. File 170-97-10. [Affordable Housing Bonds] Ordinance establishing general terms and procedures for the issuance and sale of City and County of San Francisco General Obligation Bonds (Affordable Housing), authorized by the voters of the City and County of San Francisco as Measure A in November 1996, to be issued in the aggregate principal amount of \$100,000,000; providing for the repayment thereof; and providing for the establishment of funds related thereto. (Supervisors Brown, Leal, Bierman)

ACTION:

5. File 170-97-10.1. [Bond Sale, Affordable Housing, \$20,000,000] Resolution authorizing and directing the sale of not to exceed \$20,000,000 City and County of San Francisco taxable general obligation bonds (Affordable Housing) Series 1998A; prescribing the form and terms of said bonds; authorizing the execution, authentication and registration of said bonds; providing for the appointment of depositories and other agents for said bonds; providing for the establishment of funds related thereto; approving the forms of official notice of sale of bonds and notice of intention to sell bonds; directing the publication of notice of sale and notice of intention to sell bonds; approving the form and execution of the official statement relating thereto; approving the form of the continuing disclosure certificate; approving modifications to documents; ratifying certain actions previously taken; and granting general authority to city officials to take necessary actions in connection with the authorization, issuance sale and delivery of said bonds; companion measure to File 170-97-10. (Supervisors Brown, Lea, Biermanl)

ACTION:

6. File 65-97-10.1. [Sublease Building 3, Treasure Island] Resolution approving and authorizing an agreement by and between the City and County and Universal Studios for the sublease of Building 3 on Naval Station Treasure Island. (Mayor)

ACTION:

7. File 100-97-5. [Transfer of Hetch Hetchy Surplus Fund] Resolution concurring with the Public Utilities Commission's fact finding that a fund surplus of \$45,703,273 exists in the utilities which can be transferred to the General Fund. (Public Utilities Commission)

ACTION:

8. File 78-97-2. [Health Services System Claims Backlog] Hearing to consider the causes and to identify potential solutions for the current claims backlog experienced in the Health Services System. (Supervisor Leal)

ACTION:

9. File 101-97-24. [Fire Department Overtime] Hearing to consider why the Fire Department has expended its entire fiscal year 1997-98 budget for overtime, what steps are being taken to curb abuses of overtime and disability pay and supplemental appropriation to allow the Fire Department to continue to pay firefighters through the end of the fiscal year. (Supervisors Kaufman, Leal)

ACTION:

10. File 97-97-61. [Departmental Overtime Expenditures] Ordinance amending Administrative Code by amending Section 18.13 to establish procedures for tracking departmental overtime expenditures. (Supervisor Leal)

ACTION:

LEGISLATION UNDER THE 30-DAY RULE

Rule 5.40 provides that when an ordinance or resolution is introduced which would create or revise major city policy, the committee to which the legislation is assigned shall not consider the legislation until at least thirty days after the date of introduction.

There are no items now pending in the Finance Committee
that fall under the 30 day Rule.

Watch future Calendars.

FINANCE COMMITTEE
S.F. Board of Supervisors
Veterans Building
401 Van Ness Avenue, Room 308
San Francisco, CA 94102

IMPORTANT HEARING NOTICE!!!

0.25
97
CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

October 24, 1997

TO: Finance Committee

DOCUMENTS DEPT.

FROM: Budget Analyst *Recommendations for meeting*

OCT 28 1997

SUBJECT: October 29, 1997 Finance Committee Meeting

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Item 1 - File 195-97-1

Note: An Amendment of the Whole was submitted and this item was continued by the Finance Committee at its meeting of October 22, 1997. This report is based upon the Amendment of the Whole.

Department: Sheriff's Department

Item: Resolution authorizing the Sheriff's Department to use the amount of funds remaining in the Jail Overcrowding Fine Account for the purpose of reducing inmate population at the County Jails.

Amount: \$55,240

Source of Funds: Jail Overcrowding Fine Account

Description: According to Captain Jan Dempsey of the Sheriff's Department, the Jail Overcrowding Fine Account was created by court order for the purpose of reducing the population of the San Francisco County Jail No. 1, located in the Hall of Justice at 850 Bryant Street. Captain Dempsey advises that under the court order, \$300 per prisoner per day was deposited in the Jail Overcrowding Fine Account whenever the capacity of the jail went over the maximum capacity set by the Board of Corrections. The monies deposited in the Jail Overcrowding Fine Account were then used to fund programs

to relieve jail overcrowding, subject to approval of a court-appointed Federal Master and the Board of Supervisors. According to Captain Dempsey, the court order was dismissed in December of 1996 and contributions to the Jail Overcrowding Fine Account ceased. There is currently approximately \$55,240 in the Jail Overcrowding Fine Account.

This request would authorize the Sheriff's Department to use \$55,240 from the Jail Overcrowding Fine Account to supplement its contracts with programs or projects, such as the Milestones residential treatment bed facility, whose purposes are consistent with the court order creating the Jail Overcrowding Fine Account.

Mr. Buck Delventhal of the City Attorney's Office advises that because the original court order was dismissed, the City must now obtain a subsequent court order to access the remaining funds in the Jail Overcrowding Fine Account. By approving this resolution, which would authorize the Sheriff's Department to use the monies remaining in the Jail Overcrowding Fine Account (subject to appropriation approval by the Board of Supervisors) for the purpose of alleviating jail overcrowding, the City Attorney could obtain the necessary court order. According to Mr. Delventhal, once the court order is obtained and the funds are released, the Sheriff's Department will request a supplemental appropriation, subject to approval by the Board of Supervisors, to spend those funds.

Comments:

1. As noted above, approval of the proposed resolution would enable the City Attorney to obtain a court order for release of the remaining monies in the Jail Overcrowding Fine Account.
2. This proposed legislation does not appropriate funds and any expenditures using Jail Overcrowding Fine Account monies would be subject to subsequent appropriation approval by the Board of Supervisors.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Items 2, 3, 4 and 5 - Files 97-97-56, 97-97-56.1, 170-97-10, and 170-97-10.1

Department: Mayor's Office of Public Finance
Mayor's Office of Housing

Items: **Item 2, File 97-97-56:** Ordinance amending the Administrative Code by adding Chapter 81 thereto, to describe the Affordable Housing and Homeownership Bond Program.

Item 3, File 97-97-56.1: Resolution approving regulations for the Affordable Housing and Homeownership Bond Program.

Item 4, File 170-97-10: Ordinance establishing general terms and procedures for the issuance and sale of City and County of San Francisco General Obligation Affordable Housing bonds, to be issued in the aggregate principal amount of \$100,000,000; providing for the repayment thereof; and providing for the establishment of the Affordable Housing Bond Housing Fund account.

Item 5, File 170-97-10.1: Resolution authorizing and directing the sale of not to exceed \$20,000,000 of City and County of San Francisco Taxable General Obligation Affordable Housing Bonds, Series 1998A.

Description: In November of 1996, the voters of San Francisco approved Proposition A, which authorized the City to issue \$100,000,000 in General Obligation Affordable Housing Bonds to (1) finance the development of rental housing affordable to low income households and (2) to provide down payment assistance to low- and moderate-income first-time homebuyers.

The proposed ordinance (Item 2, File 97-97-56) would establish authority for the Affordable Housing and Homeownership Bond Program (the Program) by adding Chapter 81 to the Administrative Code, which describes the Program. The proposed resolution (Item 3, File 97-97-56.1) would approve regulations developed by the Mayor's Office of Housing for the proposed Program which are on file with the Clerk of the Board of Supervisors. Mr. Joe LaTorre of the Mayor's Office of Housing advises that, under the proposed Affordable Housing and Homeownership Bond Program, the City would issue \$20,000,000 in bond funds each year for five years, for a total of \$100,000,000. According to Mr. LaTorre, 85 percent of the funds, or \$17,000,000 per year, would be used for affordable rental housing development and 15 percent, or \$3,000,000 per year, would be used for down

Memo to Finance Committee
October 29, 1997 Finance Committee Meeting

payment assistance loans for first time homebuyers. The Attachment to this report, provided by the Mayor's Office of Housing, is a more detailed description of the proposed Program.

Items 4 (File 170-97-10) and 5 (File 170-97-10.1), pertain to the issuance and sale of General Obligation bonds which would be used to fund the Affordable Housing and Homeownership Program described above. The proposed ordinance (Item 4, File 170-97-10) establishes the general terms and procedures for the issuance and sale of such General Obligation bonds which have been previously approved by the San Francisco voters. The proposed resolution (Item 5, File 170-97-10.1) would authorize and direct the sale of the first series (Series 1998A) of the subject General Obligation Bonds in the amount of \$20,000,000. Item 5 (File 170-97-10.1) also approves the form and terms of documents and official notices related to the bond sale, and authorizes City officials to take various actions necessary to carry out the sale of the bonds.

The general provisions of the sale of bonds (Affordable Housing, Series 1998A), in the amount of \$20,000,000, would be as follows:

- The sale of the bonds is tentatively scheduled to be held on February 4, 1998.
- The bonds would be sold at an interest rate which would not exceed 12 percent per year and will mature in the year 2018.
- Property Taxes collected to redeem the bonds will be deposited in the Affordable Housing Bond Debt Service Fund account which would be created specifically for this purpose.
- An official statement describing the bonds to be issued is incorporated in the proposed resolution for approval by the Board of Supervisors. The official statement would be available to all bidders for the bonds.
- Bonds will be awarded to the bidder whose bid represents the lowest interest cost to the City.
- The City Treasurer may appoint fiscal agents or financial institutions to distribute bond interest payments.

Comments:

1. As stated above, under the proposed resolution (Item 5, File 170-97-10.1), the annual interest rate of the bonds

BOARD OF SUPERVISORS
BUDGET ANALYST

cannot exceed 12 percent. Ms. Monique Moyer of the Mayor's Office of Public Finance reports that if the bonds were sold at this time, such bonds would be sold with an overall effective estimated interest rate of 7.5 percent, and would have an average estimated interest rate of 7.5 percent over the 20-year term of the bonds.

2. The requested maximum bond authorization (Affordable Housing, Series 1998A) is \$20,000,000 (Item 5, File 170-97-10.1). Ms. Moyer estimates that with a 20-year term for the bonds and assuming an average interest rate of approximately 7.5 percent, the proposed sale of bonds in the amount of \$20,000,000 would result in interest costs of approximately \$19,726,750 and a total debt service requirement of approximately \$39,725,750 over the 20 year term of the bonds. Over the 20-year period, this would result in an average debt service requirement of approximately \$1,986,287 per year.

3. Based on an average interest rate of 7.5 percent, the proposed bond sale in the amount of \$20,000,000 would result in an increase in the Property Tax rate of .34 percent in 1997-98. At that rate, the owner of a single family residence assessed at \$400,000 would pay \$13.36 in additional Property Taxes annually due to the issuance of these bonds.

4. The City has a self-imposed prudent debt limit of 2.8 percent of the City's net assessed property value. Under this debt limit, the City's General Obligation bonding capacity was \$1,757,867,490 as of July 1, 1997. The amount of the City's outstanding General Obligation bonds at the present time is \$844,680,000. Therefore, the City's current available General Obligation bonding capacity under the 2.8 percent prudent debt limit is approximately \$913,187,490 (\$1,757,867,490 in bonding capacity less \$844,680,000 in outstanding bonds). The proposed sale of bonds in the amount of \$20,000,000 would reduce the City's bonding capacity under the self-imposed prudent debt limit from \$913,187,490 to approximately \$893,187,490. However, the amount of debt that could be issued in any given year is partly a function of the level of payments on existing debt, which fluctuates as older bond issues are retired and new bonds are issued.

5. Ms. Moyer advises that the cost of issuing the bonds, including fees for private bond counsel and the services of the Administrative Services Department and the City Attorney's Office, are expected to be approximately \$227,000. A supplemental appropriation for such costs from the subject

bond sale proceeds will be submitted for approval to the Board of Supervisors at a later date.

6. Under the proposed resolution (Item 5, File 170-97-10.1), the bonds to be sold, in the amount of \$20,000,000, would be taxable General Obligation bonds. According to Ms. Moyer, with taxable General Obligation bonds, an investor must pay Federal income taxes on earnings. Ms. Moyer states that the interest rate that the City would obtain on its sale of the subject \$20,000,000 of taxable General Obligation bonds would be approximately 1.5 to 2 percent higher than the rate the City might obtain for tax exempt General Obligation bonds.

According to Mr. LaTorre, the subject bonds are unlike other City General Obligation bonds because, under the proposed Affordable Housing and Homeownership Program, the City would not directly expend the proceeds from these bonds but instead would act as a lender of the monies to other parties, which is regarded as a private activity use of these monies. Mr. LaTorre advises that, for private activity bonds to be tax exempt, certain additional governmental approvals would be required (see below).

As noted above, Proposition A, which was previously approved by the voters, specifies that Affordable Housing Bonds should be used to finance the development of affordable rental housing and for downpayment assistance loans to low income households. Mr. LaTorre advises that the portion of the subject bond monies to be used for downpayment assistance loans under this proposed issuance (\$3,000,000 out of a total of \$20,000,000) and under any issuance in the future could not qualify as tax exempt bonds because the use of such monies is regarded as a private activity.

However, under certain circumstances, the portion of the Affordable Housing bonds used to finance the development of affordable rental housing might qualify in the future as tax exempt General Obligation bonds. According to Mr. LaTorre, in order to qualify as tax exempt bonds, the City must (1) receive approval from the California Debt Limit Allocation Committee through a competitive process; (2) identify all projects to be funded; and (3) complete all projects within three years. Mr. LaTorre advises that it may be possible that in two to three years, the Mayor's Office of Housing will be able to identify a number of projects which would meet these requirements, in which case a tax exempt status for a portion of future issuances of Affordable Housing Bonds could be obtained. However, according to Mr. LaTorre, at this time

applications to build affordable rental housing under the Affordable Housing and Homeownership Program are in various stages of readiness and the City would not be able to meet all the requirements for the issuance of tax exempt Affordable Housing bonds with regard to the first \$20,000,000 of Series 1998A bonds. Ms. Catherine Payer of the City Attorney's Office advises that, under the proposed ordinance (Item 4, File 170-97-10), the Board of Supervisors may amend the Affordable Housing Program in order to obtain tax exempt status for future issuances of Affordable Housing bonds, if the requirements cited above by Mr. LaTorre are met.

7. Approval of the proposed resolution (Item 5, File 170-97-10.1) would permit the sale of the proposed bonds. However, all future expenditure appropriations of the bond proceeds, including appropriations to the Affordable Housing Bond Housing Fund and for bond issuance costs, would be subject to separate approval by the Mayor and the Board of Supervisors through supplemental appropriation ordinances.

Recommendation: Approval of the proposed legislation is a policy matter for the Board of Supervisors.

**CITY AND COUNTY OF SAN FRANCISCO
MAYOR'S OFFICE OF HOUSING**

PROPOSITION A AFFORDABLE HOUSING BOND PROGRAM

Program Description

The proposed Proposition A housing bond program has been based on the bond proposal originally presented to the Board of Supervisors and the voters last year, and with the administrative procedures used in our other affordable housing programs. The Mayor's Office of Housing expects to issue \$20 million in bonds each year for five years. As specified in the original bond proposal and the campaign, 85% of the funds (\$17 million per year) will be allocated to affordable rental housing development and 15% (\$3 million) to downpayment assistance for first time homebuyers.

Administration of the Program

The proposed legislation designates the Mayor, acting through his Mayor's Office of Housing (MOH), to administer the program. MOH currently administers a number of affordable housing programs for the City, including those funded by the Community Development Block Grant, the HOME Investments Partnership Program, the Hotel Tax Fund, and others.

Bond proceeds may not be used to pay administrative costs of the program. Therefore, MOH is including program administrative costs in its regular annual budget, which will be submitted to the Board of Supervisors as a part of the Community Development Block Grant budget for 1998. Although the final budget has not been prepared at this time, MOH believes that it will be possible to achieve at least initial implementation of the Proposition A program within the overall staffing levels in place for 1997.

The original bond proposal identified a "Housing Committee" consisting of five appointees of the Mayor to make recommendations to the Mayor for project funding. MOH is proposing to implement this proposal by designating the members of the Redevelopment Commission, which is appointed by the Mayor, as the "Housing Committee" for the purposes of the program. Many affordable housing projects currently go through a lengthy administrative review and approval with Mayor's and Redevelopment Agency staff. Where SFRA funds are used, the loan/grant must be approved by formal action of the Redevelopment Commission.

By scheduling actions of the Redevelopment Commission and the Housing Committee to take place concurrently, the City can streamline the administration of the bond program by consolidating public noticing, hearing, record-keeping and other legal and administrative requirements. The Committee would be formally separate from the Commission, but notices could be jointly issued, minimizing the administrative burden of the process.

Proposition A Affordable Housing Bond Program
Page 2

MOH would staff the Housing Committee, with appropriate assistance from SFRA in mailing notices and the like.

Development Fund

The regulations for the program propose to administer funds for rental housing development in virtually the same way as the existing HOME and CDBG funds used for rental housing. MOH would allocate funds among different kinds of housing based on the priorities in the City's Consolidated Plan required by HUD. Funds would be advertised by Notices of Funding Availability (NOFAs) at intervals through the year, usually timed to maximize leveraging of non-City resources (federal NOFAs, low income tax credits, etc.). Staff would review proposals and make recommendations to the Housing Committee, which would in turn recommend projects to the Mayor for funding.

All projects would have to be affordable to households earning less than 60% of median income for at least 50 years, unless they are on land controlled by another public agency and available for less than that period (e.g. Treasure Island or the Presidio). In that case, the Mayor could approve a shorter term if the public benefit were sufficiently great. All projects would also have to meet all City procurement, affirmative action, and local hire requirements. The prevailing wage requirements applicable to federally funded projects (12+ units) would also apply.

Downpayment Assistance Loan Fund

The \$3 million per year anticipated for First Time Homebuyer assistance will provide financing for some 60-100 households. The \$30-50,000 in downpayment assistance will assist households that cannot afford to buy in the San Francisco market. MOH proposes to set aside 25% of the funds for households below 80% of median (a household of three earning up to \$46,350 per year). The rest of the borrowers can earn up to 100% of median (\$57,950 for a household of three).

Loans will be made available on a first-come, first-serve basis. Prior to accepting applications, the City will ensure that assistance is targeted by intensive affirmative marketing in low-income communities city-wide. MOH will conduct outreach through community agencies and media outlets, and will select a limited number of lenders that would review applications. Each approved lender would follow an approved marketing plan to ensure that the program reaches the households it is intended to serve. The loans will be deferred, with principal and a share of appreciation repaid at sale or rental. A limited amount of this pool would be reserved to ensure the ongoing affordability of first-time homebuyer developments which have received a public subsidy or are subject to a regulatory agreement.

Proposition A Affordable Housing Bond Program
Page 3

Availability Of Funds

The City will need to wait sixty days between approval of the bonds and their sale. The sale process will take approximately one additional month, so program funds will be available late in February 1998.

However, as soon as the program is approved by the Board and the Mayor, MOH intends to begin preparation of a Notice of Funding Availability soliciting applications for the rental development program and to set up the marketing structure for the homeownership program. Rental development loan commitments and homeownership loans could begin to be made after bonds are sold in February 1998.

Prepared by: Joe LaTorre
October 23, 1997
252-3188

Item 6 - File 65-97-10.1

Department: Mayor's Treasure Island Project Office

Item: Resolution approving and authorizing a sublease agreement by and between the City and County of San Francisco and Universal Studios for the sublease of Building 3 on Naval Station Treasure Island.

Location: Treasure Island, Building 3

Purpose of Lease: Motion Picture Production

Sublessor: City and County of San Francisco

Sublessee: Universal Studios

No. of Sq. Ft.: 144,767 square feet

Monthly Lease Revenues: \$40,000 (144,767 sq. ft. @ approximately \$0.276 per square foot, per month)

Term of Lease: November 1, 1997 through June 30, 1998 (eight months)

Utilities and Maintenance: Universal Studios is to pay for all utilities and maintenance

Right of Renewal: None

Description: The proposed resolution would approve an eight-month sublease between the City and Universal Studios for the use of Building 3 at Naval Base Treasure Island to be used by Universal Studios for the production of motion pictures. The proposed sublease has been negotiated by the Mayor's Treasure Island Project Office.

Comments: 1. Mr. Larry Florin, of the Mayor's Treasure Island Project Office, states that the City has negotiated a new 15-year lease agreement with the Navy for the Navy-owned buildings on Treasure Island, which includes Building 3, for the period from 10/1/97 through 9/30/2012. According to Mr. Florin, the Navy has agreed to lease such buildings to the City at no cost to the City, and that the City would be entitled to 100 percent of any revenues realized by the City from the sublessees of such buildings. The 15-year lease between the City and the Navy, which is not the subject of this legislation, will be subject to approval by the Board of Supervisors under

forthcoming legislation to be submitted by the Mayor's Treasure Island Project Office.

2. According to Mr. Florin, ATL/Interscope Productions the City's present sublessee at Building 3, has been subleasing the subject site from the City since May of 1997 under a lease which is due to expire on October 31, 1997.

3. According to Mr. Florin, the monthly lease revenues from the proposed sublease agreement with Universal Studios for Building 3 is identical to the amount which the City has been receiving from ATL/Interscope Productions. Mr. Florin states that the proposed monthly lease rate of \$40,000 represents the fair market rate for the subject site.

4. According to Mr. Florin, there was no competitive bidding in the award of the sublease of Building 3 at Naval Base Treasure Island to Universal Studios because the Mayor's Treasure Island Project Office received only the single offer for the building from Universal Studios. Furthermore, the Board of Supervisors previously approved legislation which authorizes the Mayor's Treasure Island Project Office to enter into subleases and other agreements without the requirements of competitive bidding (File No. 64-96-16).

Recommendation: Approve the proposed resolution.

Item 7 - File 100-97-5

Department: Public Utilities Commission (PUC)
Hetch Hetchy

Item: Resolution concurring with the Public Utilities Commission's finding that Hetch Hetchy has a surplus which can be transferred to the City's General Fund.

Amount: \$45,703,273

Description: Charter Section 16.103(b)3 provides that the Public Utilities Commission, with the concurrence of two-thirds of the Board of Supervisors, may authorize the transfer of any portion of a utility's surplus funds to the General Fund upon making the following findings:

- (a) That a surplus exists or is projected to exist after meeting the requirements of this section;
- (b) That there is no unfunded operating or capital program which by its lack of funding could jeopardize health, safety, water supply or power production;
- (c) That there is no reasonably foreseeable operating contingency which cannot be funded without general fund subsidy;
- (d) That such transfer of funds in all other respects reflects prudent utility practice.

In accordance with the foregoing Charter provision, on August 26, 1997, the Public Utilities Commission adopted Resolution No. 97-0240 declaring a surplus of Hetch Hetchy funds which results in this proposed transfer of Hetch Hetchy revenues to the General Fund of \$45,703,273.

Comments:

1. The General Manager of Hetch Hetchy, Mr. Lawrence Klein, estimates that Hetch Hetchy will have an Unappropriated Fund Balance of approximately \$3,002,506 at the end of FY 1997-98, net of the proposed fund transfer. Mr. Klein stated that such a Fund Balance is adequate to provide for reasonably foreseeable non-drought related contingencies.
2. The FY 1997-98 budget, as approved by the Board of Supervisors, was based on this subject proposed transfer of Hetch Hetchy revenues to the General Fund.

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Finance Committee
October 29, 1997

Recommendation: Approve the proposed resolution.

Item 8 - File 78-97-2

Department: Health Services System (HSS)
Department of Human Resources (DHR)

Item: Hearing to consider the causes and to identify potential solutions for the current medical claims backlog experienced in the City Health Plan administered by Health Services System.

Description: The City and County of San Francisco, through the Health Service System (HSS) of the Department of Human Resources (DHR), provides employee benefit programs to active and retired employees and their eligible family members. The following plans (excluding dental) are being offered during Fiscal Year 1997-98:

City Health Plan
Kaiser Foundation Health Plan
Health Net
FHP HealthCare
PacifiCare (Secure Horizons)

Aetna Health Plans of Northern California, which was offered in Fiscal Year 1996-97, was discontinued in Fiscal Year 1997-98.

The City Health Plan is the only plan administered by the City's Health Service System. According to Fred Howell, Acting Executive Director of HSS, the City Health Plan has approximately 29,750 enrollees (as of July 1, 1997).

A medical claim is a demand for payment by a medical care provider. Medical claims are filed by health care providers who provide services to members of the City's Health Plan. These medical claims are submitted to HSS for reimbursement by the City. According to Mr. Howell the City Health Plan received 291,687 medical claims in Fiscal Year 1996-97, an average of 1,171 claims per day. Mr. Howell further advises that, based on the most recent three week reporting period, the City currently receives an average of 1,360 medical claims per day.

Attachment I, which was provided by HSS, shows the number of medical claims received and processed per year over the last six fiscal years, since Fiscal Year 1991-92. As reflected in Attachment I, as of July 1, 1997, there were approximately 20,000 medical claims outstanding. Three months later, as of September 30, 1997, there were approximately 35,000 medical

claims outstanding, or an increase of 15,000 (75 percent) from the July, 1997 level of 20,000 claims. As a result, according to Mr. Howell, it now takes an average of 25.11 days for health care providers to be reimbursed by the City, which represents a 45.2 percent increase in the turnaround time from the July, 1997 average of 17.29 days.

Attachment II, a memo from Ms. Andrea Gourdine, Executive Director of DHR, provides an explanation of the reasons for the increased backlog in medical claims and DHR's planned response to this problem. According to Mr. Fred Howell, Acting Executive Director of HSS, there are several factors that have contributed to the increase in outstanding medical claims since July 1, 1997.

- As a result of the above-noted discontinuance of Aetna Health Plans of Northern California for Fiscal Year 1997-98, 4,300 City employees formerly enrolled in Aetna's Health Plan enrolled in the City Health Plan during the City's open enrollment period in April of 1997. The number of employees enrolled in the City Health Plan therefore increased by approximately 17 percent over the previous year, from 25,450 members in Fiscal Year 1996-97 to 29,750 members in Fiscal Year 1997-98.
- According to Mr. Howell, as the result of staff illness and workers compensation injuries among the staff assigned to HSS's claims processing unit, this unit has not been fully staffed since March, 1997. HSS has a total staff of 41 authorized positions, including 10 positions in its claims processing unit. However, Mr. Howell advises that 2 of these 10 employees are on disability leave, resulting in eight employees on the job.
- Mr. Howell advises that HSS utilizes an inadequate computer system to process medical claims (see Attachment II).

According to Mr. Howell, the Human Resources Department recognizes that the backlog of claims and the rate at which the backlog is increasing is a serious problem. DHR has developed an action plan to address this problem as follows:

- Additional Staffing - HSS is in the process of temporarily adding six claims processor positions to its claims processing unit in order to reduce the backlog of unprocessed medical claims. Mr. Howell expects these six positions, to be filled by November 15, 1997 to work for a three-month period. According to Mr. Howell, there will be

no new funding required because these six positions are being reassigned and temporarily reclassified (TXed) from other divisions within DHR. Ms. Andrea Gourdine, Executive Director of DHR, has authorized this reallocation of DHR resources to enable HSS to respond to the backlog in medical claims. Mr. Howell advises that these six positions will be transferred back to other DHR divisions after the three-month period.

- Technology Improvements - HSS intends to address the problem of the City Health Plan's continuously increasing backlog of medical claims through the procurement of additional computer equipment. According to Mr. Howell, HSS has determined that obtaining an optical scanner will provide the most efficient solution. This equipment will allow faster data input. The claims will be entered into the computer system by means of a scanner rather than through the current manual data entry process.

According to Ms. Gourdine the new claims processing equipment is estimated to cost \$200,000, and DHR management is working with the Mayor's Office to determine how to fund this additional equipment.

Comments:

1. As noted above, HSS's claims processing unit has received an average of 1,360 medical claims per day over the most recent three week reporting period. As such, according to Mr. Howell, the 14 FTEs (eight on job and six to be transferred) to be assigned to the claims processing unit for a three-month period will be capable of processing a total of approximately 1,400 medical claims per day which would not result in a significant decrease to the current backlog of 35,000 claims. However, Attachment II states that expected seasonal variation should result in fewer new claims being filed over the next three months, thus permitting a reduction in the current backlog of 35,000 claims. Also, HSS estimates that some of the 35,000 claims are duplicate claims, thus inflating the size of the actual backlog.

2. According to Mr. Howell, DHR proposes to address the medical claims backlog problem in the long term through a technology solution rather than through a permanent increase in authorized staff. Over the next three month period, HSS hopes to acquire an optical scanning device which will be able to increase processing by approximately 700 additional claims per day.

October 9, 1997 HSB Monthly meeting

1996-97 MEDICAL CLAIMS ACTIVITY

No. Wk Days	Claim YTD	Avg. Claims Received Per Wk/Day	Potential Processor Days	Actual Processor Days	Pct. Staffing This Mo/Wk	Pct. Staffing YTD	Claims Outstanding	Working Days Outstanding	Claim Turnaround Time YTD
Month Ended									
01/31/97	146	166,218	1,138	1,513	86%	81%	14,747	12.95	15.40
02/28/97	165	189,402	1,148	1,711	89%	82%	14,409	12.55	15.86
03/28/97	185	217,361	1,159	1,920	87%	81%	17,891	15.43	16.30
04/25/97	205	237,862	1,160	2,130	78%	81%	16,525	14.24	16.82
05/30/97	229	266,202	1,162	2,380	76%	80%	19,040	16.38	16.40
06/27/97	249	291,687	1,171	2,588	73%	80%	20,254	17.59	
07/25/97	19	1,186	1,186	143.8	91%	73%	24,517	21.02	
08/29/97	39	54,712	1,403	305.1	73%	75%	30,787	21.94	
Week Ended									
01/05/97	43	59,650	1,387	447	74%	75%	32,968	23.76	
03/12/97	48	62,391	1,300	498	85%	76%	32,266	24.82	
09/19/97	53	73,915	1,395	550	63%	74%	35,031	25.11	

1995-96 MEDICAL CLAIMS ACTIVITY

No. Wk Days	Claim YTD	Avg. Claims Received Per Wk/Day	Potential Processor Days	Actual Processor Days	Pct. Staffing This Mo/Wk	Pct. Staffing YTD	Claims Outstanding	Working Days Outstanding	Claim Turnaround Time YTD
Month Ending									
07/28/95	19	19,153	1,008	190	74%	74%	6,918	6.86	11.47
08/01/95	44	42,452	964	440	73%	73%	8,045	8.34	13.09
08/29/95	63	61,659	978	630	78%	75%	9,180	9.39	13.94
10/27/95	82	81,916	998	820	83%	77%	10,034	10.07	14.97
12/01/95	104	106,131	1,022	1040	78%	77%	14,111	13.82	15.78
12/29/95	123	125,168	1,018	1230	83%	75%	20,309	19.94	15.44
02/02/96	146	150,308	1,029	1450	79%	75%	22,063	21.44	16.95
03/01/96	165	170,511	1,034	1640	89%	76%	18,229	17.42	17.20
03/29/96	185	192,746	1,041	1842	87%	78%	19,391	17.66	17.77
04/26/96	205	213,261	1,040	2068	88%	79%	14,987	14.42	18.11
05/31/96	229	237,662	1,038	2300	91%	80%	11,218	10.80	17.76
06/28/96	249	258,383	1,038	2508	86%	81%	7,445	7.18	17.06

PRIOR YEAR MEDICAL CLAIMS ACTIVITY

No. Wk Days	Claim YTD	Avg. Claims Received Per Wk/Day	Potential Processor Days	Actual Processor Days	Pct. Staffing This Mo/Wk	Pct. Staffing YTD	Claims Outstanding	Working Days Outstanding	Claim Turnaround Time YTD
FY Ended									
6/30/95	248	232,660	938	2490	75%	82%	1,511	1.61	15.13
7/01/96	252	217,895	865	2459	75%	77%	17,358	20.06	19.01
6/30/93	249	219,073	880				6,946	7.89	
6/30/92	249	218,185	876				11,446	13.06	

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HEALTH SERVICE SYSTEM
A DIVISION OF THE DEPARTMENT OF HUMAN RESOURCES
CITY AND COUNTY OF SAN FRANCISCO

MEMORANDUM

DATE: October 24, 1997

TO: Harvey M. Rose, Budget Analyst
Board of Supervisors

THROUGH: Andrea R. Gourdine
Human Resources Director

FROM: Fred Howell *[Signature]*
Acting Executive Director, HSS

SUBJECT: FINANCE COMMITTEE MEETING, OCTOBER 29, 1997
ITEM 8 - FILE 78-97-2, Health Service System Claims Backlog

This memorandum and attachment are to provide information regarding the above-referenced backlog as well as the steps taken recently and planned by Human Resources management to eliminate it.

DEFINITIONS

It would seem useful to clarify some terms that are central to a discussion of this subject.

Health Service System (HSS) - This is the organizational unit within the Department of Human Resources (DHR) which administers the entire healthcare program for active and retired City employees and their eligible dependents. The HSS also administers --actually, operates-- the City Health Plan which includes processing all medical claims

Health Service Trust Fund - The vehicle funded by the City and employees through which all HMO rates are paid and against which all City Health Plan costs are at risk

City Health Plan - City Health Plan is administered directly by the HSS. This is in contrast to the HMO plans where the HSS responsibility is limited to only the payment of premiums. Rates and benefits of the plan are established by the Health Service Board with the advice of its consulting actuary, and the medical risk for health costs of participants is assumed by the Health Service Trust Fund.

Claims for services, both from members and providers are paid by HSS. City Health Plan is an indemnity plan with a preferred provider organization (PPO) component. Members may utilize any licensed medical provider, however deductibles, co-payments and co-insurance are used to provide incentives to members to use PPO contract providers.

HSS Claims Backlog Memo
October 24, 1997
Page 2

Health Maintenance Organizations (HMO) - The HSS currently offers four HMO health plans. Under these plans, the Trust Fund pays monthly premiums to the plan and the plan assumes the risk of providing care to its members. Providers of medical services are compensated directly by the HMO Plan. The medical claims backlog does not include any services performed for members of HMOs.

Claim - A demand for payment for medical services rendered by a medical or professional provider. Most of the claims are from providers, but in some instances involved reimbursement to members.

Claim Processing - The human-computer interface utilized in liquidating a medical claim. This process, consisting of three distinct steps --pre-processing, processing, and payment-- requires entry into the claims system of basic member data, entry of medical service and procedural data, determining the amount payable and the issuance of the City warrant.

Backlog - The claims backlog represents a count of claims for services provided to members of City Health Plan which have been received by HSS, but are not yet paid. They remain unpaid principally because of a shortage of staff time necessary to enter them into our existing medical claims processing system.

BACKGROUND

Over the past three years, the total number of claims received annually and the average number of claims received each work day have steadily increased as shown in the table below. In this same period, the claims backlog has risen at a near-corresponding rate -- except for during the past three months, also shown in the table.

Year Ending June 30	Total # Claims Received	Percent Change	Average # Claims Workday	Percent Change
1994	217,895	NA	865	NA
1995	232,660	6.8	938	8.4
1996	258,363	11.0	1,038	10.7
1997	291,682	12.9	1,171	12.8
Last 3 months	73,915		1,360	

The number of claims received each month and the corresponding backlog are not static throughout any given year, but are cyclical and reflect both the impact of open enrollment and seasonal changes. As an example, this produces a range of claims received that was 6,918 on the low end and 22,063 at the high end in 1995-96. The last six months of 1996-97 saw the range change to a low of 14,409 and a high of 20,254. Thus, while the current 35,000-claim backlog represents a sizable increase over the previous year's high, it is occurring at the time of year that is typically high because it follows open enrollment.

HSS Claims Backlog Memo
October 24, 1997
Page 3

As a result of the delayed May 1997 Open Enrollment, the City Health plan realized a gain of 4,440 covered members and dependents (from 24,635 to 29,075). This increase is attributable to two basic factors as follows.

1. Elimination of the Aetna Health Plan. Some City employees elected the City Health Plan and those who did not respond to the election were automatically enrolled in this plan.
2. The regular Open Enrollment process in which City employees elected City Health Plan as their benefit option..

Another reason for the growth in membership and, consequently, claims is the increase in the size of the City subsidy of the City Health Plan. Traditionally, members had to pay larger premiums and co-payments in exchange for the larger provider selection available in the City Health Plan. In recent years, the Health Service Board has elected to subsidize City Health Plan rates to the extent that member contributions and co-payments are similar to those of the HMOs. This has resulted in an enrollment trend away from HMOs and into the City Health Plan.

Yet another reason for the increase in the claims backlog is simply that when claims are not timely processed or paid, it is customary for duplicate claims to be filed as a matter of routine follow up. HSS staff have not analyzed the current backlog to determine what portion comprises duplicate claims, but it is clear that some duplicates are included.

Another reason is that the HSS Division is experiencing a high rate of employee absenteeism. Some of this absenteeism includes industrially related causes, but not all of it. The current claims processing procedure is labor-intensive, relying heavily upon manual tasks and handling of a single claim by several different staff members, which accounts for an inefficient process. Management is aggressively pursuing the matters of returning employees to work and determining what the optimum number of staff and appropriate classifications should be in this Division to maintain an adequate level of service.

In summary, there are several factors that contribute to an increasing backlog of claims at HSS. These include plan changes and shifts in enrollment resulting from policy actions, such as greater subsidy of member cost, inefficient processing techniques, filing of duplicate claims, and a high rate of employee absenteeism. DHR management is committed to solving this problem and is taking a two-pronged approach as described below.

HSS Claims Backlog Memo
October 24, 1997
Page 4

ACTIONS TAKEN

For immediate relief, additional staff must be deployed to assist in processing both the backlog and on-going flow of new claims. The Department has TXd six positions that are vacant in other divisions for use by the HSS on a temporary basis as 1209 Benefit Technicians and 1210 Benefit Analysts. Funding for these positions is appropriated in the current budget and additional funding is not requested at this time. Also funded in the current budget is the Department's contribution toward a new telephone system which will increase the capacity and capabilities of the HSS to service and respond to members.

The anticipated effect of the temporary staff in the immediate short term is that the current backlog will be contained and not allowed to expand. The backlog situation then will stabilize and return to a normal level in the range of from 9,000 to 15,000 claims. This will be followed with a gradual reduction to a more reasonable level of 5,000 to 9,000 backlogged claims, obtained with the return of other employees to work and the acquisition of equipment discussed below.

ACTIONS PLANNED

The need for equipment that will facilitate claims processing is highlighted by the current backlog crisis. The Division's basic equipment, such as photocopying and microfiche reader/printer, is well beyond its useful life and this compounds the already time-consuming claims processing function. Replacing this equipment as quickly as possible will help to improve efficiency. More important, management has determined that new technology can be applied to claims processing and enhance the process as well as reduce the labor intensiveness that is responsible, in part, for the backlog. One specific piece of equipment identified for this purpose is an optical scanner, described below.

Optical Scanner - The Paperclip Optical Archiving System utilizes both scanning and Teleform customized software to process medical claims. Essentially, this process will use Optical Character Recognition (OCR) to extract medical claims data and compare it to information in the existing Wang member database. The process will reject those claims not passing the pre-established field thresholds. In these cases, those claims or out-of-balance fields will be highlighted, thus allowing the processor to concentrate on and correct the exceptions.

Funding for this equipment, estimated at approximately \$200,000, including some purchase and some lease, is not in the HSS budget. However, DHR management is working with the Mayor's Office to make a determination of how to proceed with this item.

HSS Claims Backlog Memo
October 24, 1997
Page 5

In summary, the DHR is utilizing current vacancies to TX positions that can be filled temporarily in the HSS as quickly as possible and without requesting additional funding. The DHR also is seeking to obtain state-of-the-art equipment that will lead to a more efficient --i.e., less labor intensive-- claims processing procedure. Finally, management is returning employees to work and examining the staffing structure of the Division to determine what changes, if any, are warranted and should be requested in the 1998-99 budget request.

Let me know if we can provide anything further.

Attachment

Item 9 - File 101-97-24

Department: Fire Department

Item: Hearing to consider (a) why the Fire Department has already expended its entire Fiscal Year 1997-98 budget for overtime, (b) what steps the Fire Department is taking to curb abuses of overtime and disability pay and (c) a supplemental appropriation to allow the Fire Department to continue to pay firefighters through the end of the Fiscal Year.

Description: The Fire Department's General Fund overtime budget for Fiscal Year 1997-98, as previously approved by the Board of Supervisors, is \$2,446,649. Through the first 6.9 pay periods of Fiscal Year 1997-98, which represents only approximately 26.4% of the 26.1 pay periods for the full year, the Fire Department has already expended \$2,695,638 for overtime, or \$248,989 more than the Department's entire approved overtime budget for Fiscal Year 1997-98. On October 23, 1997, the Fire Commission approved a supplemental appropriation in the amount of \$2.0 million. It is anticipated that the supplemental appropriation request will be calendared for the Finance Committee meeting of November 5, 1997. The sources and uses of the pending \$2.0 million supplemental appropriation, including \$1.9 million for additional uniformed overtime expense, as follows:

Sources

General Fund Reserve	\$ 1,500,000
Transfer of Budgeted Funds for Professional Services	<u>500,000</u>
Total	\$ 2,000,000

Uses

Uniformed Overtime	\$ 1,900,000
Temporary Salaries	36,000
Mandatory Fringe Benefits	39,000
Services of Other Department	
- Police	<u>25,000</u>
Total	\$ 2,000,000

The Fire Department is requesting \$36,000 for Temporary Salaries to increase staffing for monitoring of Firefighter disability cases and \$39,000 in related Mandatory Fringe Benefits.

The Fire Department also intends to workorder \$25,000 to the Police Department to verify the validity of the Fire Department's disability claims. As of the writing of this report, a formal plan, for the use of the \$25,000 and the services to be provided by the Police Department, has not been developed.

At its current rate of overtime spending, by June 30, 1998, the end of the Fiscal Year, the Fire Department would exceed its Fiscal Year 1997-98 overtime budget by an estimated \$6.0 to \$7.0 million. However, the Fire Department anticipates that the high rate of spending during the first 6.9 pay periods of Fiscal Year 1997-98 will diminish. Based on the pattern of overtime spending over the entire fiscal year, the Fire Department projects that it will exceed its Fiscal Year 1997-98 previously authorized overtime budget by approximately \$3.8 million. The Fire Department estimates that it will be able to overcome the projected \$3.8 million shortfall in overtime by achieving approximately \$1.9 million in savings from other expenditure objects, such as Permanent Salaries - Uniform and Mandatory Fringe benefits, in addition to the \$1.9 million pending supplemental appropriation for additional overtime. As of the writing of this report, the Budget Analyst has not received convincing evidence that the Fire Department will be able to reduce its current rate of overtime spending to the extent that a second supplemental appropriation will not be needed for Fiscal Year 1997-98. Such a reduction in overtime spending will be contingent upon the success of the Fire Department's Action Plan described below.

On Friday, October 24, the Fire Department provided the Budget Analyst with its final Action Plan to Reduce Overtime Costs. The final plan is attached to this report. The plan addresses the following:

- A redefinition on sick leave use and disability policies and oversight;
- Increased monitoring by Fire Department physicians of the use of sick leave and disability patterns;
- Improved information on Department policy to be submitted to disabled Firefighters' treating physicians;
- A workorder to pay the Police Department for disability verification services;
- Staffing adjustments, including hiring, vacation balancing, limitations on the use of compensatory time off and work schedules for Battalion Chiefs assigned to

Memo to Finance Committee
Finance Committee Meeting of October 29, 1997

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Attn: Kate Wingerson

Equal Employment Opportunity (EEO) complaint investigations;

Specific estimates of reduced overtime expenses that will result from the steps described in the Fire Department's Action Plan to Reduce Overtime costs have not been provided to the Budget Analyst. As mentioned above, the Department expects to limit the total budgeted overtime deficit to \$3.8 million of which approximately \$1.9 million is anticipated by the Fire Department to be covered by savings from other Departmental expenditure objects, including Permanent Salaries - Uniform and Mandatory Fringe benefits, in addition to the \$1.9 million pending supplemental appropriation for overtime.

Comments:

1, The following table provides a history of budgeted overtime and actual overtime expenditures for the Fire Department since Fiscal Year 1993-94.

Fiscal Year	Revised Budget	Actual Expenditures	Surplus / (Deficit)
1993-94	\$ 1,397,326	\$ 2,475,379	(\$1,078,053)
1994-95	2,135,177	2,093,036	42,141
1995-96	2,231,088	1,971,997	259,091
1996-97	2,715,256	4,511,282	(1,796,026)

As can be seen from this table, the Fire Department significantly overexpended its overtime budget for Fiscal Year 1996-97 by approximately \$1.8 million. During the June, 1997 Budget Hearings before the Finance Committee, the Budget Analyst reported that the Fire Department was overexpending its Fiscal Year 1996-97 overtime appropriations by an estimated \$1.5 million. However, the Fire Department did not contend to the Budget Analyst that its Fiscal Year 1997-98 overtime budget was underfunded.

2. The Budget Analyst has reviewed overtime usage for Fiscal Year 1996-97 and the first 6.9 pay periods of Fiscal Year 1997-98 Fiscal Year in relation to specific absenteeism factors such as vacation, sick leave usage and disability, using data supplied by the Fire Department. According to Departmental records:

- The Fire Department averaged 28 daily overtime shifts in the Fire Suppression Division for the first 6.9 pay periods of Fiscal Year 1997-98 as compared to 9.6 in daily overtime shifts for the same period in Fiscal Year

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BUDGET ANALYST**

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1996-97, an increase of 18.4 overtime shifts, or 191.7 percent.

- Most of this increase can be accounted for by increased Disability Pay, which increased by 10.2 shifts daily; absences due to the use of Compensatory Time Off, increased by two shifts daily and reduced total scheduled staffing by approximately seven shifts per day on average.
- Absenteeism due to scheduled vacation and use of sick time is approximately the same for the first 6.9 pay periods of Fiscal Year 1997-98 as compared to Fiscal Year 1996-97.
- The increase in days lost due to time off for disabilities appears to have begun in the middle of Fiscal Year 1996-97 and continued through the current Fiscal Year 1997-98.
- Firefighter retirements, which reduce the total number of Firefighters scheduled for suppression duty, appears to have also resulted in increased overtime for Fiscal Year 1997-98. Over the past two fiscal years, 125 Firefighters have retired and 100 Firefighters have been hired. Additionally, 21 Firefighters have retired since July 1, 1997. On November 7, 1997, 36 new Firefighters will complete training and be assigned to full fire suppression duties. On December 1, 1997, a new recruit class of 36 individuals will begin a 16 week training class.

Based on these findings, the Budget Analyst concludes that if significant reductions in disability pay are achieved, if controls on the use of compensatory time off are effective and if increased new hiring to offset Firefighter retirements is achieved, then the current rate of overtime spending should be reduced. However, it is unclear at this time that the Fire Department's Action Plan will successfully address these problems.

3. On June 26, 1997 the Fire Department was directed by the Finance Committee to respond to certain allegations concerning overtime and holiday pay abuses. The Fire Department's response to this directive was issued to the Finance Committee on July 25, 1997. The Finance Committee then directed the Budget Analyst to review the Fire Department's response. On August 8, 1997, the Budget

Equal Employment Opportunity (EEO) complaint investigations;

Specific estimates of reduced overtime expenses that will result from the steps described in the Fire Department's Action Plan to Reduce Overtime costs have not been provided to the Budget Analyst. As mentioned above, the Department expects to limit the total budgeted overtime deficit to \$3.8 million of which approximately \$1.9 million is anticipated by the Fire Department to be covered by savings from other Departmental expenditure objects, including Permanent Salaries - Uniform and Mandatory Fringe benefits, in addition to the \$1.9 million pending supplemental appropriation for overtime.

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As can be seen from this table, the Fire Department significantly overexpended its overtime budget for Fiscal Year 1996-97 by approximately \$1.8 million. During the June, 1997 Budget Hearings before the Finance Committee, the Budget Analyst reported that the Fire Department would be underfunded by approximately \$1.5 million in its Fiscal Year 1997-98 overtime budget based on the rate of spending through the first ten months of Fiscal Year 1996-97.

2. The Budget Analyst has reviewed overtime usage for Fiscal Year 1996-97 and the first 6.9 pay periods of Fiscal Year 1997-98 Fiscal Year in relation to specific absenteeism factors such as vacation, sick leave usage and disability, using data supplied by the Fire Department. According to Departmental records:

- The Fire Department averaged 28 daily overtime shifts in the Fire Suppression Division for the first 6.9 pay periods of Fiscal Year 1997-98 as compared to 9.6 in daily overtime shifts for the same period in Fiscal Year

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Finance Committee
Finance Committee Meeting of October 29, 1997

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3. On June 26, 1997 the Fire Department was directed by the Finance Committee to respond to certain allegations concerning overtime and holiday pay abuses. The Fire Department's response to this directive was issued to the Finance Committee on July 25, 1997. The Finance Committee then directed the Budget Analyst to review the Fire Department's response. On August 8, 1997, the Budget

BOARD OF SUPERVISORS
BUDGET ANALYST

Analyst sent a detailed letter asking additional questions and requesting additional information from the Chief of the Fire Department. The Budget Analyst received the Fire Department's response to the Budget Analyst's August 8, 1997 letter on Friday, October 24, 1997 at 2:25 p.m., just prior to the issuance of this report to the Finance Committee. The Budget Analyst will review the Fire Department's latest response and report to the Finance Committee as directed.

4. Given the fact that Fire Department overtime expenditures were a focus of discussion during the Finance Committee budget hearings in June, 1997, and the fact that overspending in Fire Department overtime surfaced very early in Fiscal Year 1997-98, in the professional judgment of the Budget Analyst, the Fire Department should have reported to the Finance Committee on overtime issues in a more timely manner.

Recommendation: Continue this proposed hearing in order to permit the Budget Analyst to complete a review of the Fire Department's written response to the Budget Analyst's inquiries of August 8, 1997 concerning alleged overtime and holiday pay abuses.

SAN FRANCISCO FIRE DEPARTMENT



SFFD ACTION PLAN TO REDUCE OVERTIME COSTS

Robert L. Demmons
Chief of Department

October 24, 1997

TABLE OF CONTENTS

SFFD Mission and Values Statement.....	3
Introduction.....	4
Overview of Budgeted Overtime Issue.....	5
SFFD Sick & Disability Leave Policies	7
Monitoring by SFFD Physician	8
Light Duty Policy.....	10
Verification Unit	11
Staffing Adjustments to Reduce Overtime	12
Personnel Issues	13
Article in Bulletin Explaining Issue to Membership	14

Attachment 1 - General Order 97 A-116, Sick & Disability Rules

Attachment 2 - Letter to Workers' Compensation Division Re: Light Duty Policy

SAN FRANCISCO



FIRE DEPARTMENT

MISSION STATEMENT

The mission of the Fire Department is to protect the lives and property of the people of San Francisco from fires, natural disasters, and hazardous materials incidents; to save lives by providing emergency medical services; to prevent fires through prevention and education programs; and to provide a work environment that values diversity and is free of harassment and discrimination.

VALUES STATEMENT

The San Francisco Fire Department Values:

The public's trust and the opportunity to serve;

A work environment that promotes harmony, respect for each person, and is free from harassment, discrimination, and retaliation;

Leadership committed to the Department's mission;

A diverse work force which reflects the community it serves;

A highly trained professional workforce;

Teamwork to effectively achieve the Department's mission.

INTRODUCTION

The San Francisco Fire Department Administration, realizing that overtime expenditures are in excess of budgeted levels, has developed a comprehensive Action Plan to reduce overtime costs. To establish some perspective on the situation, this Action Plan begins with a background overview of budgeted overtime appropriations from an historical perspective. The causes of the current increase in overtime are multiple, and as such the action plan includes a wide range of proposed solutions.

Central to understanding the problem, is the commitment of the SFFD to provide 41 Fire Stations ready to respond 24 hours a day, 365 days a year to emergency incidents including fires, rescues, accidents, hazardous materials incidents, and an increasing number of emergency medical calls. To accomplish this, the SFFD operates with a mandatory daily staffing level. As such, when a suppression position is vacant for whatever reason, it must be backfilled. These backfills are done at time and one half. Factors that have contributed to the current overtime expenditures include: A high number of members on disability leave (NOTE: Disability leave includes members on Disability Pay or DP and members on Workers Compensation or WC, hereafter in this Report referred to as DP/WC); unfilled firefighter positions; & members on long term or frequent sick pay (SP).

To reduce the number of persons who are vacant from their regularly assigned positions the Department has redefined and augmented some existing policies and procedures and proposed some new solutions.

- The policy on sick and disability has been redefined with a new General Order, assuring greater accountability and oversight.
- The Department Physician has increased monitoring efforts regarding members who are DP/WC & SP.
- Efforts are being made to inform the treating physicians of Department members on DP/WC & long term SP regarding the availability of a Light Duty Policy.
- The SFFD, through a work order, will utilize an existing City Department disability verification unit.
- Staffing adjustments to reduce overtime includes timely hiring of new firefighters, vacation balancing, limiting use of time coming, and a change in the policy regarding work schedules of Battalion Chiefs assigned to EEO complaint investigations.
- Relevant personnel adjustments have been identified.
- An article explaining how disability pay works and the consequent impact on the Department is being developed for the Bulletin newsletter.

The remainder of this report will explain in more detail the actions described above.

OVERVIEW OF BUDGETED OVERTIME ISSUE

Analysis of the last seven years provides an overview of the budgeted overtime appropriations available in the Fire Department during this time period.

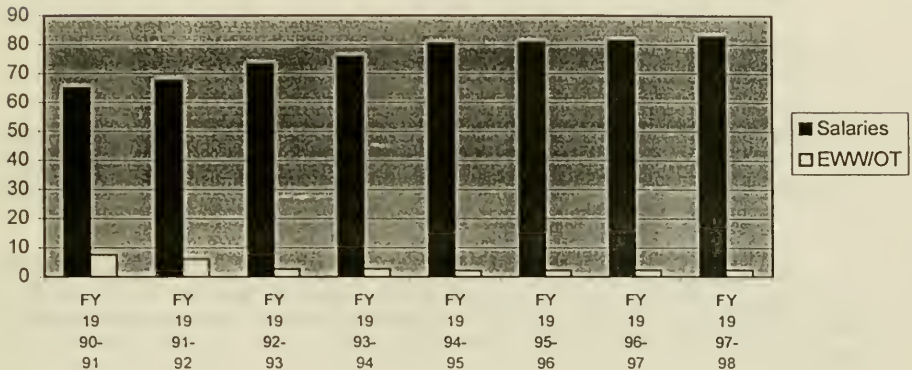
FISCAL YEAR	PERMANENT SALARY	OVERTIME / EXTENDED WORK WEEK	STAFFING LEVEL	% OVERTIME
1990-91	65,068,845	7,593,671	297	12.2
1991-92	67,689,497	6,101,809	297	9.0
1992-93	73,258,354	2,711,486	294	3.6
1993-94	75,816,178	2,881,969	294	3.8
1994-95	80,409,382	2,204,055	294	2.7
1995-96	80,849,647	2,192,155	294	2.7
1996-97	81,374,744	2,271,550	296	2.8
1997-98	82,811,289	2,446,649	296	2.9

During FY 1990-91 through FY 1992-93, overtime for the Suppression Program was budgeted as the "Extended Work Week". Overtime related to the Miscellaneous staff was budgeted in a separate line item as "Overtime-Misc.". As of FY 1993-94 and thereafter, the "Extended Work Week" was budgeted as "Overtime-Uniform".

While we have had a 27% increase in General Fund budgeted salaries over the last seven years, we have had a corresponding reduction of 66% in budgeted overtime appropriation. The Department agrees that an overtime budget that is 12% of its salary budget (as described in FY 1990-91) may be inflated. On the other hand, an overtime budget that is 2.9% of a salary budget is most probably an underestimation of potential need. Based on this historical perspective, the Department did express concerns regarding the adequacy of funding.

OVERVIEW OF BUDGETED OVERTIME ISSUE (continued)

**SFFD SALARIES AND % OVERTIME
FY 1990-91 THROUGH FY 1997-98**



The information from the preceding table, graphically presented in the chart above indicates that the percentage of overtime costs have declined from the highs of FY 1990-91 and FY 1991-92 and have remained fairly consistent from FY 1992-93 through the present.

In future years the Department would like to work with the Mayor's Budget Office to create a more realistic budget, rather than request a supplemental during the fiscal year on a recurring basis.

Another factor that must be considered is the historical fluctuation of overtime expenditure trends in the Department, with summer months being the highest level of usage. As such, the SFFD repeatedly enters the beginning of any fiscal year with high overtime costs. A balancing of vacation assignments is proposed and further described in the section on staffing adjustments to reduce overtime.

SFFD SICK & DISABILITY LEAVE POLICIES

NEW GENERAL ORDER ON SICK & DISABILITY RULES

In an effort to improve the efficiency of the operations and procedures of the Department, new rules and regulations relating to members who are on Sick Leave (SP) or Disability Leave (DP) have been distributed to the membership in recently issued General Order 97 A-116, Attachment #1.

This General Order includes the following strong new policies that will increase accountability:

- Members injured on-duty will now be required to submit a General Form Report which requires a detailed written description of the circumstances of their injury. Past practice involved the filing of a form report which was more limited in terms of information required.
- All members who are listed as witnesses to an on-duty injury will now be required to submit a General Form report describing what they observed when the injury occurred. These reports shall include the statement "I declare under penalty of perjury that the foregoing is true and correct."
- The reports when completed will become part on an Injury Report Packet that will be forwarded through the Chain of Command and reviewed for completeness and accuracy at each level.
- Any member on DP shall be required to submit a written document stating the nature of the illness or injury within 48 hours and monthly thereafter.
- Any member on SP continuously for more than 30 days shall report to the Office of the Department Physician or Medical Leave Supervisor in person at least once during each pay period the member is on sick leave unless waived by the Department Physician.
- Members on DP/WC or SP shall not be absent from their residence or place of confinement for more than 24 continuous hours without the approval of the Chief of Department. Such requests will be reviewed by the Department Physician with approval only when recommended in writing by the member's treating physician.
- Members on SP or DP/WC shall not attend or participate in committee meetings, work group meetings, training exercises, or seminars without specific permission from the Chief.

The cumulative effect of these new measures will be a reduction in SP and DP/WC incidents. The individual, witnesses, and officers are being held more accountable. The Department Physician has more of an opportunity to monitor the cases. Members are being informed that SP & DP/WC is a time for convalescence and that activity should be limited.

MONITORING BY SFFD PHYSICIAN

MONITORING PROGRAM

The Department Physician monitors members on Disability Leave (DP), Workers Compensation (WC), and Sick Leave (SP). This monitoring process is as follows:

- The chart for the each member on DP/WC & extended SP is reviewed by the Department Physician.
- For those on DP/WC, the Workers Compensation Division is contacted to gather as much information as possible.
- Once familiar with the case, the Department Physician then contacts the member's treating physician to discuss the member's capability for returning to work. The option of a light duty assignment is explained.
- If warranted, the firefighter is then contacted to review the case and to schedule an appointment for an evaluation physical.

This monitoring program is effective. The Department Physician has just returned to work full time after an extended leave. During her absence, the interim Department Physician did not have the time to maintain the monitoring program on a three, one half days per week schedule. Since the Department Physician has returned and reactivated the monitoring program, the number of persons on DP has declined from a total of 122 members during the 8/9/97 through 8/22/97 pay period to 96 members on 10/8/97. The Department Physician projects that following an initial monitoring review of all cases there will be at minimum a 25% drop in members on DP.

The average number of persons on Disability Leave for the first 5 pay periods of this Fiscal Year was 28 FTE's / day. A reduction of this number by 25% would be 7 FTE's / day. The cost per day to replace a firefighter is the base salary times 1.5 for overtime pay which equals \$80,610. Therefore, to return 7 Disability Leave members to work would mean a savings of 7 members X \$80,610 = 564,270. This figure is annualized and would be reduced by the 4 months that we are already into this fiscal year totaling a \$376,180 projected savings.

This figure is reduced by, \$40,000 costs to support a monitoring system as described below and in more detail in the section of this Action Plan on staffing adjustments to reduce overtime.

Backfill of Department Senior Accountant on Medical Leave	\$20,000
Backfill of Department Physician Secretary on Workers Comp	<u>\$20,000</u>
TOTAL	\$40,000

As such the total projected savings would then be \$376,180 minus \$40,000 = \$336,180.

MONITORING BY SFFD PHYSICIAN (continued)

PREVENTATIVE MEASURES

Influenza Vaccine

The Department Physician has maintained an active program of influenza vaccine to assist in preventing excessive SP days.

Field Observations at Emergency Incidents

As an additional preventative measure, the Department Physician intends to respond to incidents in the field on an intermittent basis to observe members actions on the fireground and at other emergencies. Such observations from an occupational health perspective will strengthen the existing Injury and Illness Prevention Program.

LIGHT DUTY POLICY

The SFFD desires to return members to productive duty from SP or DP/WC while they are convalescing from injuries or medical conditions that are of a temporary nature. Limited or Light Duty jobs are transitional and assigned to members to allow them to return to work before they are physically capable of performing full duty. Light Duty assignments are made with regard for the restrictions placed upon members by their physicians.

Light Duty assignments are made by the Deputy Chief of Administration based on the availability of such assignments and the needs of the Department.

Light duty assignments have an impact on returning members to full duty. Light duty assignments usually involve clerical jobs. Members generally prefer active firefighting work and generally seek to return to full duty.

A segment of light duty assignments that will be reviewed are those members on DP/WC who qualify for a service retirement and are eligible for a light duty assignment for up to eight months. It is projected that a review of this population accompanied with an enforcement of the light duty policy could reduce the number of persons on DP/WC.

A letter has been forwarded to the Manager of the Workers' Compensation Division of the City and County of San Francisco (Attachment #2) to make clear the SFFD efforts to place members who are on disability leave on limited duty and to encourage a cooperative effort in returning these members to full duty.

VERIFICATION UNIT

Discussions with the San Francisco Police Department have indicated that following the implementation of a disability verification unit, cases dropped by 50% and have maintained at that level. The SFPD has three members assigned full time with a budget that allows for camera equipment for documentation and car rental for undercover surveillance.

The SFFD is considering requesting through a work order that the SFPD or another City Department with similar capability, perform disability verification services. These services would be requested for a limited time while the Department evaluates the effectiveness and determines if an internal unit is appropriate.

The projected cost to contract for this service is \$25,000. An analysis of the potential return is as follows.

The average number of members on Disability Leave during Fiscal Year 96-97 was 20.43 FTE's / day. The current level of members on Disability Leave is 28 FTE's / day. As previously stated, the Department Physician's monitoring program is expected to reduce this number to 21 FTE's / Day. With the contract use of a disability verification unit, we anticipate an additional reduction of 3 FTE's / day. Utilizing the cost of an H-2 firefighter overtime salary at \$80,610 X 3 members = \$241,830. This figure is annualized and would be reduced by the 4 months that we are already into this fiscal year totaling a \$161,220 savings.

This figure is reduced by the \$25,000 costs to fund the service. As such, the total projected savings would then be \$161,220 minus \$25,000 = \$136,220.

STAFFING ADJUSTMENTS TO REDUCE OVERTIME

TIMELY HIRES OF FIREFIGHTERS

The Department realizes that timely hiring of firefighters to fill vacant positions is critical to reducing overtime costs. A recruit class is nearing graduation. Assignment to field positions of these 36 members will reduce overtime costs. Two more classes are scheduled for the coming year to fill existing and projected openings.

VACATION BALANCING

In future years, the Department intends to reduce the number of vacations allowed in June, July, August, and September and correspondingly increase the number of vacations allowed in November, January, February, March, & April. The intended net effect is to reduce the number of members who would be off on vacation during the summer months when the Department is historically short staffed.

LIMIT USE OF TIME COMING

A reduction by five will be made in the number of TC days that members can be granted on any one day. This will reduce the number of members that will need to be backfilled on a daily basis.

WORK SCHEDULE FOR BATTALION CHIEFS ASSIGNED TO EEO INVESTIGATIONS

A change in the policy regarding work schedules of Battalion Chiefs assigned to EEO complaint investigations will result in a decrease in overtime hours. Currently for each EEO investigation 2 field Battalion Chiefs are assigned to days for the duration of the investigation. The average time required for an investigation is three weeks, with some lasting much longer. For the duration of these assignments to days the positions are backfilled at time and one half.

A new policy has been established whereby Battalion Chiefs assigned to EEO investigations will maintain their 24 hour work schedule. During their on-duty days, they will be detailed to headquarters to conduct the necessary investigation work. For necessary work on off-duty days they will be compensated only for the hours worked. This policy will result in a net decrease in the number of overtime hours.

PERSONNEL ISSUES

The current SFFD administration has dealt with significant reorganization change: The merger of the Department of Public Health Paramedic Division with the Fire Department, and the negotiated settlement transitioning the Department from the Consent Decree through a Stipulated Order, each have associated management challenges and have increased Department's administrative load.

The merger with the Department of Public Health Paramedics has increased the number of personnel by approximately 190. As part of the new administrative structure 5 new uniformed ranks have been created.

On June 25, 1997 a Joint Motion for Preliminary Approval of a Stipulated Order Terminating the Consent Decree was filed by the Plaintiff Attorneys and the City and County of San Francisco. The parties through this motion requested the Court to terminate the Consent Decree, and substitute a series of new obligations. Primary components of these obligations include the development of the Cadet and Officer Candidate Programs, alternative hiring and promotional systems for the Department.

To support the monitoring of this increasingly complex Department structure and in order to implement the Action Plan described here, the following key positions have been identified as essential.

Currently the Department's senior accountant is off on long term medical leave and needs to be replaced on an interim basis. The projected cost for temporary accounting staff is \$20,000. The staffing of this position is important to maintain a current accurate record of Department accounts and to provide necessary analysis of Disability Leave expenditures on a monthly basis.

Currently the position of clerk for the Department Physician requires a backfill due to a Worker's Compensation leave. The projected cost to staff this position is \$20,000. Full time staffing of this position is important to provide necessary support for the Department Physician to maintain an active monitoring program which is in addition to significant other duties.

If the utilization of a contract disability verification unit is successful, consideration will be given to an enhancement of the SFFD Investigative Services Bureau for the Fiscal Year 98-99 budget.

ARTICLE IN BULLETIN EXPLAINING ISSUE TO MEMBERSHIP

"HOW DP WORKS"

Article Key Points

There is a need for the members of the SFFD to understand how Disability Pay works.

- Member goes off on DP/WC.
- Department pays member.
- Department pays replacement at time & one/half.
- Budget gets impacted. Use actual numbers for recent time frame.
- Funds are not available for - programs, equipment, etc.

The Department is affected in a negative way by excessive DP/WC.

Controls that are in place to reduce DP/WC include:

- General Order 97 A-116, Sick & Disability Rules
- Monitoring by SFFD Medical Director
- Verification Unit
- Light Duty Policy

Item 10 - File 97-97-61

Item: Ordinance amending Section 18.13 of the Administrative Code to establish procedures for tracking departmental overtime expenditures.

Description: Section 18.13 of the Administrative Code sets maximum permissible overtime limits for individual employees, and provides for exceptions that must be justified by appointing officers. Section 18.13 also requires biannual overtime reports for City Departments whose overtime spending exceeds either a) five percent of total budgeted salaries or b) \$1.0 million annually.

Specifically, Section 18.13(a) currently provides that no appointing officer (i.e. Department Head) shall permit any employee to work overtime hours that exceed 16 percent of the number of hours that the employee is regularly scheduled to work on a straight-time basis in that Fiscal Year.

However, Section 18.13(b) states that an appointing officer may, by written authorization, require an employee to work overtime hours in excess of the 16 percent limitation described above. In such cases the appointing officer is also required to submit a biannual report to the Board of Supervisors justifying any overtime granted in excess of the 16 percent limitation. Section 18.13(c) states that the 16 percent overtime limitation and requirement to submit a written justification to the Board of Supervisors if the limitation is exceeded, does not apply to work performed by members of the uniformed ranks of the Police and Fire Departments, transit operators and transit operator supervisors of the Municipal Railway, nurses and other emergency workers employed by the Department of Public Health, or any other employee when the work is required pursuant to a standing directive of the appointing officer to complete a task after the end of the employee's regularly scheduled shift or to fill emergency staff shortages.

Section 18.13(b) also provides that the appointing officer of every department (including Police, Fire and Muni) shall submit a biannual report on May 1st and October 1st of each year to the Board of Supervisors justifying departmental overtime expenditures which exceed five percent of the total budgeted straight-time wages or if total overtime spending amounts to \$1.0 million or more. The report is required to analyze whether hiring additional part-time or full-time employees would be more cost effective than overtime expenditures.

This proposed ordinance would amend Administrative Code Section 18.13(b) to require that reports from appointing officers justifying any overtime granted in excess of the 16 percent

limitation for each individual employee must be submitted to the Board of Supervisors on the specific dates of January 5th and May 1st of each year. This requirement would not apply to the uniformed ranks of the Police and Fire Departments, transit operators and transit operator supervisors of the Municipal Railway, nurses and other emergency workers employed by the Department of Public Health, or any other employee when the work is required pursuant to a standing directive of the appointing officer to complete a task after the end of the employee's regularly scheduled shift or to fill emergency staff shortages.

The proposed ordinance also provides that any department that had actual overtime expenditures of \$25,000 or greater in the immediately preceding Fiscal Year shall submit a biannual report on January 5th and May 1st of each year to the Budget Analyst with copies to the Board of Supervisors.

Under the proposed ordinance, the biannual overtime reports would have to include the following related information:

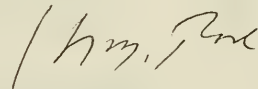
- Budgeted salaries for the immediately preceding fiscal year, budgeted overtime for the immediately preceding fiscal year, and budgeted overtime as a percentage of budgeted salaries for the immediately preceding fiscal year.
- Actual salary expenditures for the immediately preceding fiscal year, actual overtime expenditures for the immediately preceding fiscal year, and actual overtime expenditures as a percentage of actual salary expenditures for the immediately preceding fiscal year;
- Actual year-to-date salary expenditures for the current fiscal year, actual year-to-date overtime expenditures for the current fiscal year, and actual year-to-date overtime expenditures as a percentage of actual year-to-date salary expenditures for the current fiscal year;
- Projected salary expenditures for the current fiscal year, projected overtime expenditures for the current fiscal year, and projected overtime expenditures as a percentage of projected salary expenditures for the current fiscal year; and,
- Such other information as a Budget Analyst may require.
- The biannual overtime reports shall also analyze whether hiring additional part-time or full-time employees would be more cost effective than continuing to work overtime at the current rate of overtime expenditures.

Lastly, under this proposed ordinance, the Budget Analyst would be required to report to the Board of Supervisors and to the Finance Committee (or such other Committee of the Board as is responsible for budgetary matters) by February 5th and June 1st, respectively, with an assessment of the departmental reports and the status of City overtime expenditures as a whole. The Budget Analyst's report shall also discuss, as appropriate, the accuracy and completeness of the information provided by the various departments.

Comments:

1. The Budget Analyst has not been previously provided with the biannual overtime reports as required under Section 18.13(b) of the Administrative Code.
2. The attachment to this report provides a listing of Fiscal Year 1997-98 budgeted salaries and overtime for Departments that budget in excess of \$25,000 in overtime salaries annually. These are the Departments for which the new reporting requirements described above would apply based on their Fiscal Year 1997-98 budget.
3. If the proposed ordinance is approved, the Budget Analyst will send a letter to all Departments that will be affected by the new overtime reporting to inform such Departments of the new requirements and to provide suggested formats for the reports that are to be submitted to the Board of Supervisors and the Budget Analyst.

Recommendation: The Budget Analyst believes that the proposed legislation should assist in controlling the City's overtime expenditures but considers the proposed ordinance to be a policy matter for the Board of Supervisors.


Harvey M. Rose

cc: Supervisor Leal
President Kaufman
Supervisor Brown
Supervisor Ammiano
Supervisor Bierman
Supervisor Katz
Supervisor Medina
Supervisor Newsom

Supervisor Teng
Supervisor Yaki
Supervisor Yee
Clerk of the Board
Controller
Matthew Hymel
Stephen Kawa
Ted Lakey

Memo to Finance Committee
October 29, 1997

Attachment

Salary Category	Department	Budget Salaries	Budget Overtime	% ovt. Budget
Uniform	POLICE	\$ 123,778,181	\$ 10,524,371	8.50%
Uniform	FIRE DEPARTMENT	87,605,623	3,434,430	3.92%
Misc	COMMUNITY HEALTH	144,192,060	2,723,899	1.89%
Nurses	COMMUNITY HEALTH *	84,640,023	0	0.00%
Misc	MUNICIPAL RAILWAY	84,843,762	2,097,611	2.47%
Platform	MUNICIPAL RAILWAY **	93,976,070	0	0.00%
Misc	DEPARTMENT OF PUBLIC WORKS	42,369,737	1,423,033	3.36%
Misc	AIRPORT COMMISSION	48,409,282	1,372,976	2.84%
Misc	SHERIFF	36,888,835	1,196,667	3.24%
Misc	CLEAN WATER	19,588,187	876,127	4.47%
Misc	WATER DEPARTMENT	23,799,519	689,132	2.90%
Misc	SOCIAL SERVICES	66,226,451	460,973	0.70%
Misc	RECREATION AND PARK	36,729,121	459,963	1.25%
Misc	PARKING AND TRAFFIC	18,623,470	405,559	2.18%
Misc	TELECOMMUNICATIONS & PORT	15,724,480	274,255	1.74%
Misc	FIRE DEPARTMENT	12,022,836	258,273	2.15%
Misc	PUBLIC HEALTH	15,578,737	250,610	1.61%
Misc	JUVENILE COURT	61,166,417	237,448	0.39%
Misc	PUBLIC UTILITIES COMMISSION	13,297,397	216,037	1.62%
Misc	POLICE	31,064,577	199,784	0.64%
Misc	HETCH HETCHY	21,825,844	199,002	0.91%
Misc	TRIAL COURTS	8,853,227	158,626	1.79%
Misc	CONTROLLER	28,517,348	149,200	0.52%
Misc	WAR MEMORIAL	7,997,229	123,561	1.55%
Misc	DEPARTMENT OF BUILDING	4,317,055	100,877	2.34%
Misc	PURCHASING	12,677,190	80,003	0.63%
Misc	FINE ARTS MUSEUM	8,766,736	64,000	0.73%
Misc	REGISTRAR	3,014,391	53,549	1.78%
Misc	MEDICAL EXAMINER/CORONER	1,294,101	47,750	3.69%
Misc	CITY ATTORNEY	2,414,393	42,875	1.78%
Misc	PUBLIC LIBRARY	15,926,488	39,000	0.24%
Misc	ANIMAL CARE AND CONTROL	23,416,416	29,769	0.13%
Misc		1,344,691	29,000	2.16%

* Community Health does not budget overtime for nursing salaries, but expends amounts from its salary budget for nursing overtime in excess of \$25,000 annually.

** The Municipal Railway does not budget overtime for operator salaries, but expends amounts from its salary budget for operator overtime in excess of \$25,000 annually.

